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# INDUSTRY, EMOTION AND UNREST

BY

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MEMBER APPELLATE FEDERAL BARS OF NEW YORK  
AND WASHINGTON



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## PREFACE

THIS book endeavors to set forth the factors which most profoundly affect the industrial and social sides of modern economic life, and concludes with some suggestions for controlling them. The factors are portrayed by incidents, somewhat as is the law in the "case system" of instruction in law schools, thus avoiding dogmatic premises deduced from small collections of imperfectly classified facts. While the picture thus presented has been kept in harmony with economics and sociology, these sciences have been kept in the background, for they may be misleading, since economists and sociologists have not yet collected data or evolved methods as satisfactory as those of the chemists, physicists and students of the other exact sciences.

To describe recent, pertinent, "case" incidents briefly and adequately, I have found it necessary to draw largely on the personal experience of my acquaintances, as well as on my own experience, necessarily limited to what was not confidential. Except where needed to suggest a proper setting, names of people and localities have been omitted, to avoid the implication of personal criticism.

Phrases and sentences summarizing data and tendencies have been drawn extensively from the editorial and other columns of the *Nation* (New York), *New Republic* (New York), *Friend* (London) and *Public* (New York). I have also frequently adopted the wording of Richard Roberts' *Red Cap on the Cross* (London, 1918), especially in stating the radical or the workers' point of view.

My debt to a wide field of acquaintance is obvious. My greatest debt is to my wife for encouragement, for criticism, and for the suggestion and selection of illustrative incidents.

New York City

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# INDUSTRY, EMOTION AND UNREST

## CHAPTER I

### EMOTION IN INDUSTRY

IN the year of the American Declaration of Independence, Adam Smith published his great book, *The Wealth of Nations*, which tells<sup>1</sup> how the details of manufacturing pins had been developed until eighteen men, each performing a separate operation, were needed to produce a complete pin. These men he called "manufacturers,"<sup>2</sup> and it is clear from his description that each "manufacturer" had to do his part perfectly and intelligently to make the pins perfect. Each man could take pride in his work on each pin. With the emotion of pride, each also had a responsibility and an ethical satisfaction in the pins produced by the whole group of men.

To-day we speak of manufacturers of pins, referring, however, to the owners of the pin factories, and we hold these owner-manufacturers ethically

<sup>1</sup> For notes see after Chapter XI.



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responsible for the quality of the pins we buy. The workmen and workwomen in these modern factories have ceased to bear any ethical relation to the pins produced by the factory in which they work. The pins are produced by machines so nearly automatic that it is almost true to say that a coil of wire is fed in at one side, and a roll of paper at the other, and the machine then delivers papers of pins at the end, all folded and printed with the proper advertisements.

As a matter of fact, the pins are usually made in one machine, tin-plated in another, and polished in a third; the paper is printed in a fourth; the pins are stuck into the papers in a fifth; while the gathering of the papers of pins into cartons, and the boxing of the cartons is largely done by still other machines. The workmen and workwomen have no responsibility for the individual pins; no ethical or emotional relationship to the product; at most their job is to watch the machines. The workers are coordinated with the machines, with the factory system, and may well be said to have checked their souls at the cloakroom as they entered the factory along with their hats and coats,—if the factory is progressive enough to have a cloakroom.

It has been said that the system of laws furnishing the checks and balances of civilized society is so minutely adjusted that it has become just as much a crime to transcend the law as to transgress it, be-

cause either breaks down the whole system. In the factory the machinery is carefully designed and grouped to enable it to be coördinated to the work people, so that any attempt on the part of the workers to depart from the highly organized system of production, breaks down the system and the guilty workman is discharged. Thus it comes about that the feeling of the average employee toward the manager or superintendent who sits in the office, is summed up in the meaning of the phrase "called on the carpet." The office is the place of criticism. The plodding, unambitious employee, too unimaginative to interfere with the smooth running of the factory system is the ideal. It is significant that a former patent attorney for the United States Steel Corporation said: "When I was attorney for the ——— Steel Company, I filed more patent applications gotten up by their employees than the whole combined United States Steel files nowadays. The young engineers that run things think they know it all. They turn down anything they don't get up themselves." Is it any wonder that many workers imagine they see written over the employees' entrance of the factory, "Abandon aspiration all who enter here?" Is it any wonder that they regard the mill owner, thus seen through his representative, the manager, as one of a hostile class, conveniently called capitalistic? Is it any wonder that employees of an unthinking or misunderstood employer find more ethi-

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cal satisfaction in the sacrifices and struggles for group solidarity necessary to win a strike, than they find in their routine of factory work?

Improvements in machinery and its products are made from time to time, but for the most part, except in enterprising businesses, these are developed away from the factory, and it is largely due to the patent system that this improving is possible. Any man or woman who has conceived of an improvement, and who has the energy and money, can apply for a patent on the improvement, and by publication of the patent in the weekly Official Gazette of the Patent Office will have the improvement advertised free throughout the United States. Not only is the improvement itself thus advertised but also the name of the inventor. From the names thus brought to their attention, machinery manufacturers like the United Shoe Machinery Company, the Westinghouse Electric and Manufacturing Company, and the various sewing machine, typewriter, and adding machine companies, and many others, including chemical companies,—from the names of these inventors, those producing companies have selected the most promising, and hired them to become professional inventors and improvers. Thus a mechanical genius at some backwoods cotton mill may eventually find his way to the company which builds the textile machinery he has improved upon. Such a genius has left his home town, redeemed his

soul from pawn at the factory door, and found a place to give it expansion in a faraway adventure. To him alone of his former fellows comes the joy of "creative industry" in any fullness. Unfortunately the patent system is still far too imperfect to count for more than a very small fraction of what it should to men of this class.

An inventor is thus usually obliged to ally himself with people of large capital, because the mere invention of a good thing does not insure that it will be utilized. Fulton was not the first man to produce a successful steamboat,<sup>3</sup> but he was the first to persuade the world that steamboats were good things. Moreover nowadays most products have to be produced on a large scale if produced economically. Even the simpler typewriters, for example, have many hundreds of parts. To produce these economically they must, for the most part, be stamped from sheet metal, or turned in automatic lathes. It is said that it costs \$200,000 to make the tools (presses, dies, etc.) to put a typewriter on the market, at a salable price, even before any advertising is done. One man who helped put on the market a simple adding machine which has since proved very profitable said, "In 190— we made a contract to deliver our first hundred machines for \$6000. We didn't know anything about manufacturing then. We spent \$350,000 in tools and experiments before we produced a single merchantable machine." About

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the same time another adding machine company spent \$500,000 and never made more than a hundred machines, finally going into bankruptcy.

One of the most profitable inventions ever made was the mining of sulphur, melting it by superheated water and then pumping it to the surface of the ground. The inventor Frasch says,<sup>4</sup> "We used twenty 150-horse power boilers for a well, which represents experimentation on a ponderous scale. We raised steam in the boilers and sent the superheated water into the ground without a hitch. If for one instant the high temperature required should drop below the melting point of sulphur, it would mean failure." He says of later experiments, "We found that some of the wells gave out..... I thought this might be remedied by pumping large amounts of a material like sawdust into the mine with the melting fluid (hot water) ..... One well after pumping about 7,000 tons....ceased to produce...we started to pump sawdust into the ground with the melting water. After pumping in about six car-loads per day for five days, the well 'sealed' with the sawdust and promptly produced 39,000 tons more."

A former Commissioner of Patents says,<sup>5</sup> "I once sold some patents to the Bell Telephone Company. They paid half a million dollars for them, and before they had a single dollar of return, they had

spent one million dollars more in determining the exact conditions of the economical use of the invention. But there has never been a time since they acquired them, when it could have been bought back from them for ten times what they paid for it."

There is plenty of adventure for the capitalist and inventor in putting new devices on the market, if they can reconcile their differences of temperament. The rest of the enterprising people in industrial life feel their souls are smothered.

A Massachusetts "Tech" graduate, the treasurer and general manager of a corporation whose stock is quoted on the New York Stock Exchange, recently said, "Manufacturing processes have about reached the limit of their efficiency. The real problem is the psychology of manufacturing." By this he meant that the inventor of a new machine can readily have it produced economically (if there is a large enough demand), for it is easy to hire a designer at from \$40.00 to \$50.00 a week, who will intelligently plan the details of the mechanism, so that it can be cheaply assembled, that light parts can be die-pressed from sheet metal, heavier parts cast economically, and complex parts swaged or cold forged and finished at a single operation. Moreover all openings in the heavy cast parts can be so placed that they can be drilled by unskilled labor with the help of jigs for locating the tool.

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The manufacturers, especially the "captains of industry," have not been satisfied with developing the production of interchangeable parts, and thus reaching an efficiency and economy undreamed of by Adam Smith. They have tried to develop systems wherein men and women—their employed help—can fit interchangeably, where personality can be ignored. In their offices they sit surrounded by the most intelligent and efficient office force they can obtain. They bar from their sight not only the beggars whom they refer to the "charity society," but also all the inefficient and defectives. Thus they come to think only in terms of efficient men and women. The rest they unconsciously consign to the scrap heap for others to care for; for others to endeavor to inspire with new life. These men, experienced in large scale undertakings, laugh at the pathetically small efforts of people like country church members who are struggling desperately to bring idealism into their own lives.

Some employers who unconsciously assume all that the wage earners want is good pay, like the Crompton and Knowles Loom Works, have paid their employees in gold, apparently believing that gold would make the wages seem more like real money, and so would satisfy the longing expressed in the verse of Robert W. Service:

I wanted the gold and I sought it;                   .  
I scrabbled and mucked like a slave.

They forget that there is also a creative spirit in men which Service describes when he goes on to say:

Yet somehow life's not what I thought it,  
And somehow the gold isn't all.  
There's gold, and it's haunting and haunting;  
It's luring me on as of old;  
Yet it isn't the gold that I'm wanting  
So much as just finding the gold.

The factory processes which the captains of industry have developed may be termed essentially "assembling." In the factory and assembling plants of the Ford Motor Company, the incomplete automobile rolls along rails, stopping for one man to insert a bolt, a second man to put on its nut, a third to screw up the nut, and a fourth man to tighten it, and then past other men who do equally infinitesimal details until the whole automobile is complete.

As long ago as 1913, the Ford Motor Company managers realized that they failed to understand the psychology of manufacturing. During that year<sup>6</sup> they had on their pay-roll on the average, some 13,000 men, but in their fiscal year ending that October they had hired and lost about 54,000 men, thus making a pay-roll turn-over of 400 per cent. To meet this situation an employment manager was selected, and a careful study was made of the causes for the resigning and the discharging of employees. It was found that many men were not



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suited to their jobs, that many of the foremen lacked a sympathetic interest in the men and an appreciation of the relation of the workers to their work, and that the cost of "breaking in" new men was varying from \$20 to \$200 or more per man, including the cost of spoiled material and damaged machinery. By meeting the men with a sympathetic interest and requiring that the foreman do the same, the pay-roll turn-over was reduced to far below one hundred per cent before wages were materially advanced.

My friend, the expert handler of men, says, "The average employee likes to see his job well done. He takes pride in the smooth running of the machine he tends. He is worried if the article he produces is imperfect, even if good enough for its purpose; or if he is delayed by an inadequate supply of his raw materials; or if the finished product is not carried off at the regular time, to be further treated or packed. The average worker likes to take pride in his work; just as a bookkeeper takes pride in the set of books which he keeps, and is worried by blots and smudges of dirt, as much as by a serious error." An observing tool-maker, the highest grade of mechanic, almost an inventor, tells me that he believes considerably over half the workmen in most shops are of this type.

By carefully studying the individual workman and his connection with each machine; by studying

the lost time of each workman and eliminating it, whether due to the machine or the system in which the workman forms a unit, this expert handler of men has been able in a number of factories to greatly increase the production. At the same time he has enabled the workmen to find such satisfaction in the accomplishment of their work that in none of these factories has there been a strike after he was well in touch with the hands. Slichter, in his book, *Turnover of Factory Labor*,<sup>7</sup> says that he was once talking to an employment manager when a man hired only two hours earlier that day came and gave in his resignation. The man had waited two hours in vain for the foreman to give him any instruction as to what work he was to do, and disgusted with the factory organization, he refused to wait any longer or go to work. Slichter says such incidents are not unusual. I asked a man who has managed various machine shops employing five to thirty men what he thought of this. His answer was, "I would leave myself if they treated me that way. I wouldn't hire a man who wouldn't leave if neglected that way, if I knew what I was about. Any worth-while man wants to work."

The attitude of the men of "big business" is very different. They seek men who will acquiesce in standing idle until told what their work is, and are told how to do it. Perhaps their desire for military drill in the schools grows out of a half-

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defined desire for unthinking obedience of this sort.

It has been said that, if used effectively, a tool is really an extension of the personality of the worker using the tool. Seldom indeed can the employee of a great enterprise look in this light upon the factory and its tools, or upon the department store and its counters and stock in trade. Robert B. Wolf, a paper manufacturer, says: <sup>8</sup> "The cause of practically all labor inefficiency—a prelude to labor disturbance—is lack of interest. It is possible so to stage even routine work that it will draw and hold the interest of the worker to an absorbing degree. Every individual craves responsibility. Production bonuses operate very much like the outer pressure which comes from low wage conditions. They are outer stimuli, whereas what we need is the inner desire which is real motive power in all creative activity. Creative work begins only when the mental powers of selection and adaptation of means to ends come into play."

A paper maker told me that he expected to spend each ten years the entire original cost of his plant in repairing and maintaining it, and in every paper mill this is one of the great expenses. In connection with this Mr. Wolf says: "In the maintenance and construction department, where we had about 300 men at work, we kept every one informed as to his progress by giving cost records of all jobs done, not only labor costs, but complete material costs as

well. These records were furnished daily and we did not pay bonuses of any kind. We actually cut the maintenance material cost in two, by the greater thought of economy released in the organization."

A paper making machine—"fourdrinier," it is called—is an enormous affair, often a hundred feet long. The paper is made by flowing the stock from the beater, and of about the thickness of cream, out onto a continuous belt of very fine wire netting, which may be fifteen feet wide, seventy-five feet long, and run six hundred and eighty feet a minute. For each machine there is a "machine tender" and a "back tender," who practically form the captain and first mate of a team to look out for the paper, seeing that it does not break in passing from the wire netting belt on to the blanket belts which hold it against the hot cylinders to dry and smooth it. Each team, or "shift" as it is called in the mill, has to break the paper once in a while, because when one winding reel has been filled another has to be started. At this time a small sample of the paper is taken, usually by the back tender, and weighed and tested to see if it is up to standard. The machine tender is told the result, and he turns on or shuts off the flow of stock a little, to make the next reel heavier or lighter as the case may be.

In order to bring a team spirit into the running of each machine, Wolf "put on each shift a man to take samples every time a reel was changed from the

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front, middle and the back of the sheet." He had the tests of these samples plotted out as curves on forms kept at the end of the paper machine. He says "there is no thought in the minds of our men that this is a follow-up system designed to enable the management to find fault with the workmen. They recognize it as a system to help them get information which they have no time to get for themselves. Invariably the competition is keen enough on all quality records to bring all the men to practically the same degree of proficiency within a few weeks. No bonuses are paid. The forms in use for the records cover a period of four weeks each, for the average of a period is better than a day's average—it tends toward greater continuity of effort. Wolf continues: "The record, to give joy to the worker, must reflect the constant, steady inner urge which indicates the degree of his mastery of the forces he attends in the day's work. The paper machine becomes an instrument through which he can express the art of paper making, and the records become organized facts available to all, and gradually accumulate to form the basis of a real science of paper making. We knew that we would be sure to have requests from the men for other factors which they would like recorded. We have already had a number of suggestions. We find that the greater the number of factors or laws, that we record, the greater is the interest in the work.

The beater engineers asked us to find a way to measure the thickness of the stock. The beater engineer suggested the stock furnished him was not uniform—as a result we are making improvements.”

Wolf found that when his publicity system of records was introduced into another mill, its production increased 5 per cent without any speeding up of the machinery, but merely as a result of the more intelligent and more interested work of the “teams” or shifts, under the leadership of their machine tenders. Wolf further says that at the joint business meetings to discuss the wage scale, the workers’ representatives and the management representatives used to sit on opposite sides of a table to argue back and forth. Nowadays with the workers in full possession of the production data, etc., all those who come to these meetings sit down as friends to talk the matter over. Whoever comes first, sits down and the next one sits beside the first, whether he be worker or manager—so far has publicity broken down the former barrier of hostility.

Wolf informs me that this particular mill has not been operated under his plan long enough to give reliable figures on pay-roll turn-over, but that in a paper pulp plant where a somewhat similar plan was earlier installed, the pay-roll turn-over was reduced from about 30 per cent monthly to about 30 per cent a year, except for men employed in the wood yard.

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Other manufacturers neglecting the psychological factors have hoped to put new life into the souls of their employees by so-called profit sharing plans, apparently forgetting the lesson to be learned from the war, which shows that men are appealed to by motive rather than by pay. Who supposes that when President Wilson sent General Pershing abroad, he aroused his enthusiasm by making him an offer of advance of wages dependent on the speed of his advance toward Berlin? Profit sharing schemes<sup>9</sup> take various forms, often a "premium" based on the wages paid, and at a rate varying with the period of employment. Usually the premium is determined arbitrarily from year to year by secret votes of the directors of the employing corporation, and the employees benefited by it are not informed how their shares are computed, with the result that they compare notes, and find inexplicable differences in their allotted shares of profits. Frequently these shares are certificates of stock ownership, given ostensibly on the theory that if the workers are stockholders they are "partners." Since, however, the employee-stockholders are given the "cold shoulder" if they suggest attending the stockholders' meeting, and are sometimes threatened with discharge if they do attend, the employees often regard themselves as objects of charitable attention by the corporation, rather than partners in its management, so the

"plan" arouses resentment, rather than a sense of partnership.

Some corporations issue stock which the directors hold in "trust" for the employees, with the provision that this stock benefits only those who remain in the employment. In one case where the directors personally meet the workmen and have foremen of the right caliber this plan has been successful, but it seems likely that it is the personality of the employers that makes the difference in this plant, since the pay-roll turn-over during the war has only been 38 per cent, although only 12 per cent all told receive these dividends.

Sometimes we read statements to the effect that "the profit-sharing plan works well; the total number of new employees during the year was six thousand, in a total pay roll of 4000, but of those who have been with the factory more than two years only 260 left, so while the whole pay-roll turn-over was 150 per cent, the profit-sharing turn-over was only 13 per cent." This statement overlooks the fact that the employees who have grown up with the factory make up most of the profit sharing group, and that these have a sense of solidarity with the factory group organization, since friendships have been formed with fellow workers, and "shop talk" has come to be the basis of social intercourse with their neighbors.

Sometimes a so-called profit-sharing system pro-



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duces some surprising indirect results, because it fails to take into account all factors. One man who had been very familiar with a certain factory before a "profit-sharing" system was introduced, and only revisited it after four years operation of the system said, "The factory used to be the show place of the city. The help made one proud to look at them, but when I was there last week they were the very dregs of the earth." Within three months began a long series of strikes in that factory.

Endeavoring to keep the employees contented by having them live in a model village has often aroused the same kind of feeling against the owner-employer that the Americans used to have against the German policeman who came into their Berlin gardens to count the caterpillars, and to order the removal of flowerpots from window sills. Apparently good pay combined with pleasant community life centering around an industrial group appeals to some temperaments, but it is not surprising that it fails to appeal to many Americans, because these yearn for frontier life, with its constant demands on conscious strength.

What is legally called insanity is often only such a form of nervous breakdown that the afflicted individual seems out of place in the life of the community. To be sure there are other forms of insanity, in which the brain is diseased, but it seems likely that the apparent increase of insanity shown

by government reports is largely due to the increasing complexity of group life, and the increasing lack of coördination between individuals and the life about them. What we call nervous breakdown in peace time is more often than not of the same nature as what we call "shell shock" in war time, and what was called being "possessed with a devil" in oriental lands. It is the breaking out of pent-up long continued emotion.

An eminent physician has said that most insanity finds its beginning in fear. If a man's daily work fails to interest him,—if he is afraid to leave his job because he fears he may not find a job equally good, if he is afraid he is not pleasing his overseer, that man is laying a groundwork of fear which may result in insanity. Unless we give factory and other group workers some ethical interest in their work, the steady increase in the numbers of such workers and the increasing complexity of the groups will probably be accompanied by a steady increase in insanity,—curable usually, but nevertheless a burden to the community and to the state.

The apparent decrease in the number committed to English insane asylums<sup>10</sup> during the war has caused general surprise, coming as it does at a time when juvenile crime vastly increased. Even making allowance for the large number of men abroad as soldiers, the extent of the decrease seems remarkable, especially as many people are known to have been

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driven insane through the terror caused by bombs dropped in air raids. Further, the increased working hours, the great increase in automatic machinery, with the accompanying increase in uninteresting monotonous work, and the going into industrial work by many totally unaccustomed to unvarying plodding machine-like motions,—these and other factors had led sociologists and others to expect a great wave of insanity to sweep over the nation. The war took most of the population into so-called “war work,” that is work supposed to be intimately tied up with the successful prosecution of the war, and the preservation of the national life. This kept before the minds of the workers an ethical purpose in their work, and by thus giving some inspiration to their minds, kept away the worst of the mental unrest, dissatisfaction, and worry which are so often the accompaniments of factory and other routine work. It was the inspiration of an ethical purpose in their work, remote as it was from the details of the work which deprived insanity of its entering foothold.

Any one who has ridden on the Sixth Avenue Elevated Railway in New York City from Franklin Street to Forty-second Street and looking through the windows into the many garment factories, has watched the tense, anxious faces of the “operators” bending over the sewing machines which run at lightning speed,—any one who has looked into these

factories can realize the reasonableness of an eight-hour day. The "operators" seem never to look up, they work under a ceaseless strain, they are attentive only to the course of the cloth through the sewing machine. Much of the strain comes from the necessary conditions of factory work; the work must be done only when it suits the convenience of the group as a whole. If an "operator" stops, the time cannot be made up. Two four-hour stretches of such work seem indeed to make a day's work. Quite different is the work in many other factories, envelope factories for example. In such the worker at the machine need devote little anxious attention to it. The work is more like housework in which the attention can wander without detriment to the result. An envelope machine needs an attendant only to inspect the product and to arrest the machine if anything goes wrong. The former need take only a fraction of a minute out of every three or four, and probably on the average nothing goes wrong as often as once a day. But the attendant is essential. It was in odd minutes at this latter kind of factory work that David Livingstone learned Latin, and prepared himself for college, and the American mill girls of Lucy Larcom's younger days learned to know literature.

In the "touch" system of typewriting the typist is trained to coördinate the fingers with the layout of the keys of the machine until the typist hardly

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ever looks at the keyboard while writing. This method of typewriting is so favorably regarded by typists as to make it almost certain that mere co-ordination with a machine is not inherently repugnant to human nature.

In the best managed New York department store, with certainly one of the best "social service" organizations, the pay-roll turn-over was almost 400 per cent in 1917. Such a store distributes goods, and most of its employees are in daily and hourly touch with other men and women. But what is common to a factory and a department store is careful coördination of the workers with a system which makes few demands on their loyalty, and often seems to them only a selfish grasping after profits for the unseen and far away stockholder. In a retail store, as much as in a factory, the primary ethical connection of the worker is with the system, and the owners deal with the workers through the foremen and forewomen. Mr. Filene said nearly twenty years ago that the greatest trouble he had in dealing with his employees through committees of their own choosing, was the drastic methods and severe punishments the committees almost universally were prone to use. His committees had the sole right to discharge employees; and Filene said he never interfered except on the side of clemency. It is not surprising that modern industrial organizations, relying, as they do for the most part, on foremen to

deal with the workers find dissatisfaction rife. The foremen as a class are drastic and short-sighted.

It is true the psychology of advertising is well understood, and so is the psychology of interesting a customer in goods, but the proper psychological relation between the workers and industrial and commercial systems is yet to be found. This lack of relationship makes selling costs high. Perhaps the methods of Mr. Wolf, described above, point out a suggestion for solving the problem.

It is said that in the first decade of this century it cost about \$35 to build the adding machines sold for \$250; from \$8 to \$15 to build a sewing machine retailing at from \$35 to \$55; about twenty-five cents to manufacture the novel which sold for a dollar and a half; \$45 or less to build a \$200 talking machine; and about \$35 to build a motorcycle which sold for \$250. The major part of the apparent profits were absorbed in the cost of attracting purchasers and actually making the sale.

It is a fact strangely overlooked by most reformers that the cost of "distribution," viz., selling cost, is rapidly rising and has been rising for over twenty years.<sup>11</sup> It is said that to-day it costs a small retail dry goods store 15 per cent to 20 per cent of its "turn-over" to sell the goods, i.e., pay interest on the investment, carry the credits, deliveries, and pay wages of salespeople; whereas ten years ago 10 per

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cent to 12 per cent was a fair average, and earlier still the cost was below 10 per cent.

Stranger still, is the general ignorance of the fact that in the larger stores the selling costs are even higher,—few large department stores have a selling cost as low as 25 per cent, and many approach 30 per cent, though ten years ago the typical costs in these ran from 19 per cent to 25 per cent. Thus parallel with the well known increasing complexity and increasing cost of governmental administration, is the increasing cost of commercial administration and distribution.

It is difficult to see how mere "community ownership of the tools of industry" will solve the labor problem. Such ownership of a machine like a stamping press can hardly give to the operative who feeds to it sheet metal hour after hour, and day after day, any ethical interest in its product, or a satisfying emotional connection with the ultimate device of which the pressed fragment of the sheet forms an almost infinitesimal part. A work tender for such a machine press is necessary, however, because the press, and even the dies in it, are worth hundreds of dollars, so if anything goes wrong, the press must be arrested before it wrecks itself on a misplaced bit of metal.

The solution of the labor problem indicated by the Ford Motor Company's experience, and that of similar companies, is a solution by administrative

methods,—something utterly foreign to the America of the past, where individual initiative has been the sovereign remedy for social ills. This solution means an industrial revolution, peaceable, we hope. It is already being relied on as the surest means of controlling the rising tide of labor unrest.

Such methods, however, throw the adventurous spirits of growing America back on the moving picture show as the only convenient emotional outlet, —perhaps the only available one for the vast majority of men and women, who are not only growing and restless animals, but also have emotional and ambitious souls. It is no wonder that a mind trained for years to coördination with a machine or a letter file, turns to coördinate itself with the Sunday newspaper when relieved from work and tired of the picture show.<sup>12</sup> It is no wonder on the other hand that a mind still active and restless after a day's work seeks a forum, or the platform of a socialist meeting as an outlet for the emotions of its soul, and is appealed to by descriptions of civilization as a wild tangle of good and evil, in which the workers are hedged about by barbed wire entanglements of law and order and economic handicap.

In a discussion of teaching, an eminent Englishman writes: "In a hundred documents we read that a certain salary is necessary if we are to attract men to this or that work. I do not believe it, but I admit that such factors as salary and pension are of



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the greatest importance, so long as the work itself does not possess irresistible attractions of its own. And I admit further, that sometimes a teacher who has been attracted into the profession by very mundane considerations may, in the course of years, discover an apostolic significance in his work and follow it from the highest of motives." In continuing the discussion another man said: "We are sure that the Government and the local authorities will not secure either in numbers or quality, the teachers who are urgently needed if they think that the difficulty is ended by a satisfactory salary provision. Man cannot live by bread alone, he is both a spiritual and ambitious being as well as a normal animal. There must be scope both for ambition and ideals if the best sources of supply are to be drawn upon."

Not only have the great employers unconsciously, and yet relentlessly ignored both the minds and the souls of the workers, but also they have opposed collective bargaining with the great groups of workers they employ. Formerly, as in the days of Adam Smith, the factories and shops were small, the labor groups were small, and the leader of each group was naturally the owner or boss of the shop. In those days when any difference of opinion arose it was settled by conference—whether the trouble arose over hours of labor or quality of material, or the status of the employee or boss, the group was small and needed no organization to ensure free and

fair discussion. With the growth of the size of the labor groups, the method of conference with individual workers relative to every detail of daily work became unworkable, and was necessarily dropped by the owners and managers. With the dropping of conferences, necessarily disappeared much of the common ground which formed the basis of mutual interest and understanding. In most cases the owners and managers failed to recognize that a distinct workers group was growing into existence, and, perhaps from a desire to avoid the appearance of class distinctions, they failed to organize the workers group to enable its representatives to meet them in conference to settle policies and problems.

Instead of seeking conferences with the employees, the employers sought to settle problems by promulgating rules for their guidance. Those who apparently lived up to these rules were accounted faithful. Those who violated the rules either deliberately, or carelessly, or for their own good, or for the good of the company, were usually allowed to do so unmolested, provided the owner did not suffer, or the pride of a foreman was not injured, just as countless statute laws are ignored in every-day life and violated with impunity.

The law of the land played into the hands of this unconsciously developed policy of the owners of great industries. In the year 1916, Marone, an Italian section hand on the Union Pacific Railroad, was

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chiseling a rail.<sup>13</sup> A steel splinter flew off and entering one of his eyes, perhaps made him permanently blind. He sued the Railroad Company, carrying his case by appeal to the highest court he could reach. It was proved that the rules of the railroad required the use of goggles in such work, that they had goggles in the tool house, but never used them, that Marone had been hit by a steel splinter in the hand and had asked for something to protect his eyes, that the foreman refused, and said, "Go on," and that Marone only continued "because he was scared to lose his job." The Court said, "—the employee is not obliged to examine into the employers methods—and may assume that reasonable care will be used in furnishing appliances." But it was held that the foreman was a fellow-servant of Marone's, and that as long as the printed rules required the use of goggles, the Railroad was not responsible because Marone had assumed "the risk and negligence of his fellow-servants."

Cases like Marone's are common,—in deciding his case the court cited scores from the law books. Out of such cases grows a natural resentment against the "owners of the tools of industry," who put their tools into the hands of practically irresponsible foremen.

In this abandoning of responsibility by great (and often small) employers for the acts of their agents, lies the foundation for the extreme phraseology of

those who believe that present day civilization is bound to result in "a class war." From Marone's case and others like it, the more passionate of the workers naturally make the deduction that "the capitalist class and the workers class have nothing in common."

Beside the resentment aroused by the refusal to meet representatives of workers in conference, the workers often point to the Rockefellers and to Cleveland H. Dodge as examples of the attitude of the "capitalist." The workers looking at the vast organizations working together and making up the vast "Standard Oil interests" see how competition has been throttled by control of railways and pipe lines. Remembering that the Standard Oil Companies were the bitter foes of labor unions, the workers look at the vast benefactions of the Rockefellers, and make the rather logical, though perhaps untrue, inference that the Rockefellers took less human interest in their employees than in the strangers whom their money went to help.

Some workers say that the officers of the Phelps-Dodge Corporation deliberately turned their backs on the deportation of honest law-abiding citizens by the hundreds from Bisbee, Arizona.<sup>14</sup> The workers say that the men responsible for these deportations were men put in authority by Dodge's own Corporation. The workers are told that of those deported from Bisbee, and left to starve in the desert,

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few were interested in the I. W. W., and none were on strike or accused of violating the law. What then do the workers think when they hear the United States Attorney say that it is impossible to convict in any court and punish those responsible for the deportations? It is hardly unnatural that the workers proclaim that Dodge and his associates own the Bisbee courts. It is not unnatural for the workers to feel that Dodge and his associates have a sympathetic human interest in far-away strangers in Armenia, such as they do not even pretend to have in their own employees. It is hardly surprising that the workers cry out against the "wage system," and demand some other system of society, in which it shall be impossible for those who own the "tools of industry" and the "raw materials of industry," to feel more responsibility for the sufferings of strangers, than for the tribulations of those who use the "tools" and "materials" they own.

The policy of avoiding conferences with the representatives of the workers has necessarily developed into a relentless opposition on the part of the owners to collective bargaining. Where workers have become dissatisfied with the policies of their employers, by process of natural selection the fighting type of labor leader has been brought to the top. The fighter is rarely well equipped for the kind of patient negotiation and conference which the **many** phases of labor problems demand.

The value of representative government, whether in politics or industry, lies in the fact that a few chosen representatives meeting in conference can adequately discuss fundamentals and details, and that conference, undertaken in the right spirit, should always lead to sympathy. In a conference our first impulse must be, not to overcome those whose actions or opinions we disapprove; but to understand their motives and their justifications, in conference with them. Harmony of action and purpose must underlie groups working together. No mechanical method of obtaining harmony will succeed if the human element contains no will for harmony, no purpose of seeking community outlook.

The modern demand for the referendum has blinded the eyes of vast numbers of the people to the value of negotiation and conference both in formulating legislation and in drafting agreements, whether in commercial or industrial life. There is no will for harmony, no careful seeking of community outlook in industry to-day viewed as a whole. If it be true that a common life experience, leading to community of outlook, rather than the economic factor, is chiefly responsible for the solidarity of the trade unions and of the capitalist combines, there is a fair prospect that some form of representative government in industry, if carried out in the conference spirit, will provide a solution for many of the most menacing industrial problems.

## CHAPTER II

### BUSINESS GROUPS AND BUSINESS IDEALS

THE tendency of industrial and other workers to form organized groups like labor unions, is only a reflection of the whole tendency of modern life. Such groups can be seen in their true aspect only when set off against the groups nearest them,—business groups.

One characteristic feature of American business life is the large number of trade and other specialized business magazines and directories. The range these cover is well represented by the titles *American Machinist*; *Billboard*; *Gas Age*; *Oil, Paint and Drug Reporter*; *Fabrics, Fancy Goods and Notions*; *Engineering News-Record*; *Textile World*;) *Paper Trade Journal*; *Woman's Wear*. The trade directories are both voluminous and full of detail, reciting, for example, in the textile trade, the number of cards, spindles, wide looms, narrow looms, character of product, etc., etc., of each mill. It is the readiness of the American manufacturer to talk and to boast of his business, in a way unknown in other countries, which has made such directories and mag-

azines possible. These publications are a reflection of a great number of business group and trade group organizations and associations. The growth of such was largely due to the success of the mutual mill insurance associations first organized on a large scale among the cotton manufacturers by the many-sided Edward Atkinson. These reduced fire insurance to a small fraction of its former cost, sometimes even to a sixth. This reduction in cost was largely the result of improvements in mill methods and mill equipment suggested by frequent reports on fires and their causes. These reports often suggested new possibilities of efficiency, not only in protection from fire, but also in general methods of factory design and arrangement.

The tendency to develop group life reaches into almost every department of American business and commerce. Although almost the last National Chamber of Commerce to be formed was that of the United States, in group organization along other lines it had outstripped almost every other country. Each branch of industry had associations or clubs to keep its trade spirit alive. New York had its Drug and Chemical Club, and Hardware Club, and Boston its Paint and Oil Club; the textile interests had their Arkright Club in New York.

Out of the keen competition of American life these clubs and associations have developed group solidarity along utilitarian lines, to an efficiency un-



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known in the rest of the world except where developed on the basis of a social or military caste.

Any one who is a guest at one of the weekly luncheons of the Rotary Club of New York with over five hundred men present, seated at tables for six to ten each,—“one representative from each distinct line of business or profession,”<sup>1</sup> in the city, will easily believe each member has satisfied the membership committee that he “is one of the directing forces of his business” . . . ; he represents “one of the leaders in the line of business”; he has a “reputation for integrity and character above reproach”; his “personal credit is unquestioned”; “and that he is socially acceptable.” The men are all genial and optimistic, well dressed and in the prime of life, and form indeed an inspiring sight, for it is easy to see that they satisfy the “Rotary expression of a man’s belief in himself, and the ideals he hopes to achieve; in the worthiness of his occupation and in his duty to widen its sphere of usefulness; in the duty he owes to his own craft; in the duty he owes to his home, and his town, state or province, and country.” It is easy to believe that the men satisfy their saying, “There is only one kind of a Rotarian, and that is an active Rotarian.”

To them business is a religion. They tell the tale of the Great Stone Face, the mysterious beautiful face on the mountain cliff, a divine personage it seemed—how Ernest watched it, and kept it ever

before his eyes and meditated on its message. Finally the people said, behold our simple yet kindly Ernest is the promised child, like to the Great Stone Face. The Rotarians say, "Let us fix our gaze on Rotary. Let us study and search for its inmost business thoughts, attune our lives to the martial strain of service, our hearts to universal fellowship, and the world will shout, 'Behold these men are in the likeness of Rotary' and like Ernest in the Story, the Rotarians will walk slowly homeward, still hoping that some wiser and better man will appear, more worthy of the name Rotarian."

They believe that the American business man has a duty, and service for the world, and that it is summed up in the Rotary slogan "Service, not self—He profits most who serves best."

"Service in the Rotarian sense is a mental process," so their inspirational handbook says. "When a man has been educated and developed in Rotary, he is inspired with the desire to do something worth while—to create, as it were, a survival value." The Rotarians are primarily teachers of others, and producers of "survival values." "In a business or profession where there are from a few to hundreds of employees . . . Rotarians should systematically proceed to inoculate their associates and employees with the virus of service, not overlooking the clerk who answers the phone, and then follow up the case until sure the virus has taken."

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The chain of Rotary Clubs which cover the United States are the visible embodiment of the great American ideal of "group service," and group representation. "Rotarians are representatives from Rotary to their several lines of business, and not representatives from their respective lines to Rotary. Under this interpretation each member is delegated by Rotary as a representative of its principles and ideals—a messenger—to carry its spirit of altruism and its standards of business practice to his fellow craftsmen."

These clubs are typical of the American worship of success. The social reformer would point out that there does not seem to be in their category a word or phrase which could fairly be translated "sympathetic human interest." All altruism is group altruism for "charitable, philanthropic, civic or other organizations." "A Rotarian should have an adequate knowledge of his city, a lively interest in its welfare, and a love for its life and history,"—but not a word is said in their handbook about hospitals, or charitable, or other governmental institutions for aiding the unfortunate, or about housing for the poor, or standards of labor, or labor legislation. Instead the "Rotarian must learn, (a) the geography of his town; (b) the community's life; (c) its industrial activities; (d) coastwise and foreign commerce; (e) transit questions, freight and passenger; (f) parks and boulevards; (g) compre-

hensive plannings; (h) the municipal departments of the city, fire, police, health and public works; (i) the history of the city;" and "the club may profitably discuss,—conservation of streams and forests and similar public welfare questions." Other "features of value" are "business efficiency talks; office equipment and fashion shows; consideration of civic questions of all kinds; city building; exercises commemorative of national holidays."

Although their handbook gives perhaps more room and emphasis to "personal credit" than to anything else, not a word seems to be said about a Rotarian's duties to the individual human beings within his own group except in the sentence about the "phone" clerk, quoted above. There is not a suggestion of courtesy, sympathy, or kindness towards employees, or towards less prosperous acquaintances.

These Rotary Club men, as has been said, are typical of the American tendency to work through groups. The Rotary Club is a group through which the members ideals may express themselves, and they are asked to carry the message of their club not to individuals, but to their own business groups. When they talk of group fellowship, they refer only to groups of people of equal financial and social standing.

The Rotary Clubs seem to give as inspiring an impulse to their members as do the "lodges" of secret societies like the Freemasons, although the

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emotional approach of the impulse is along very different avenues. The Rotarian finds his emotional satisfaction in success. Through his club membership and activities, he learns to see in business much of that "moral equivalent for war" for which the<sup>2</sup> psychologists have been seeking. To a less degree almost every manager of a large and active business finds in his interests the same kind of moral equivalent. War gives to the soldier adventure as one of the group, with the result that the soldier finds in war a satisfaction of his inborn yearning for group solidarity. A business man of the Rotarian type, finds his business an adventure in which he has the joy of assuming the group leadership. One of the Freemason's primary duties is a call which seldom reaches the Rotarian,—benevolence toward those who have fallen on evil days, through illness, or through financial reverses. The Freemason, like a member of any of the other secret societies—friendly societies they are called in England—finds his instinct for social solidarity satisfied in visits or errands of compassion to his fellows, in communal secrecy, and in a communal ritual, having an appeal like that of those church services which derive so much of their emotional effect from pomp of processions, responsive recitations in chorus, and swelling volumes of music. These the Rotarian handbook hardly mentions, except for the inspira-

tional results to be obtained by congregational singing.

When I had my first dinner in a New York boarding house, an attractive man sat down next me, at the table for three, where I was. By way of introduction I asked him what his line was, his answer was: "I am in the greatest business in the world, the one that makes civilization possible. Publicity is my line, and I have the finest territory in the world, from Wall Street to Central Park, and from Fourth to Seventh Avenues. Publicity is bringing the new best things to the attention of people, and without it, progress is impossible." He was a very capable fellow, and it was only by dint of polite cross-questioning that I found out he was Eastern advertising solicitor for a Western newspaper. He thoroughly believed what he said at the first. He was typical of the men that make up the Rotary Clubs, and of the best side of American business life. I doubt, however, if he had ever heard of the Rotary Clubs. He simply was another symptom of whole-souled Americanism as he saw it. He and the Rotary Club members as truly believe that America has a great divine message of "business service," as the German military class believed that Germany was divinely sent for the salvation of an effeminate or inefficient world.

Says the *Wall Street Journal* of June 26, 1919, apropos of the launching of a new enterprise by two

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well known business leaders: "It has been the life ambition of J—— to expand into a larger retail organization. It is the present ambition of B—— for whom increment of wealth can hold little attraction—to wrestle with the problem of distribution of goods with reduced cost to the consumer. The United States offers no sport for rich men like that of business development and the expanding of industrial and merchandising organizations building for the workers, the consumers and the investors."

Matthew Arnold, the radical of 1848, looking at the conventional, church-going, well-to-do middle class English, and thinking they were typical, said, "Religion is morality touched by emotion." If he had been a radical of 1917 and had looked upon a group of business men like the Rotarians, thinking they were typical of America, he would with equal truth have said, religion is success tinged with emotion. To the Rotarians, religion is largely loyalty to the group of successful men.

In Matthew Arnold's day school teachers were often dismissed for holding unacceptable religious opinions. To-day the men of "big business" and their followers are demanding that all "Marxian Socialists" be expelled from the public schools. This leads reformers to say that business is now the religion, requiring the worship of things, of institutions, as they are; that the greatest heresy is to doubt that divine sanction rests upon the methods

and the underlying principles of modern business.

Boyd Carpenter, the eminent historian, says<sup>3</sup> that the sense of fellowship, the sense of dependence, and the sense of progress are the necessary vitalizing elements of religion. If Boyd Carpenter looked upon these Rotarians he would doubtless say that their idealism was doomed to failure. He would point out that their sense of fellowship is limited to those who reflect their own outlook on life, and that they resent any implication of dependence. Their attitude is essentially that of the military officer caste in other countries.

Large scale banking, the banking which involves the wide-spread "floating" of stocks and bonds, is necessarily different from old-fashioned banking. The small scale banker was primarily a judge of the individual character and business ability of his would-be customers. As trustee of the capital of the community he unofficially became the selector of enterprising men who could be profitably allowed to use that capital.

One provincial English banker doing a local business says:<sup>4</sup> "The bank used to be quite a social center. We knew all the customers personally, and when they called they would stop quite a time, conversing with us or with one another, and very pleasant it was. Of course this personal relationship was of great advantage to both sides. When we were asked for a loan we always knew just what the



borrower's position was and what credit we could safely give him. Moreover, on many occasions we deliberately lent money at a risk when it was needed for the benefit of the countryside in a way that the joint stock bank, with shareholders' interests to think of, would not be justified in doing. On the other hand, we owned several thousands of acres in the neighborhood, so that our customers had a guarantee of our stability before their eyes."

The large scale banker, on the other hand, has to be a propagandist; he has to make people believe that the stocks and bonds he offers them are good investments. He has to make them believe that their property rights in an enterprise are supreme over all other rights; that the managers of the enterprise control legislation to the extent of making those property rights secure. When the large scale banker seeks to sell foreign securities, he is obliged to make his customers believe they are as well guaranteed as with other securities. He therefore desires the nation to create a great army and a great navy; and, perhaps unconsciously, carries his training in propagandist methods into his home political field to obtain the desired result. He is breeding what are often called imperialistic ideas; and through the great corporations in which he and his friends are directors, he is able to insure that the pressure of all this corporate capital is brought to bear in favor of something very like military and naval imperialism.

Psychologically his business reacts on him, and he comes to act as if the property rights of his corporations at home are superior to the human needs and human rights of all their employees. Although he would disavow them, such thoughts seem necessarily implied in demands like the following:

"The bankers of the United States should be free to make loans carrying with them port or harbor concessions with powers of administration and the collection of charges; the granting of large areas of land for purposes of exploitation with complete power of control and government; the giving of franchises for the construction of important and strategic railways, conferring upon the lender complete control in the management and administration; and the granting of monopolistic privilege of various kinds."

Students of the philosophy of history will believe that the banker is deceiving himself when he concludes, "Our past history is a guarantee against any policy of aggression looking towards territorial aggrandizement."

The men represented by the Rotary Clubs are the actual administrators and organizers for the great aggregates of capital. They are moved by what they consider just self expression. So great is the wealth they own or control that they could not spend on themselves even the income thereof. The zest in life which these men feel does not come from the

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creature pleasures which their fortunes provide. Their real joy comes from what they consider to be the rendering of their best services to the world. To them success is the only true representation and interpretation of God on earth. Those men would span the earth with countless railroads, drain the energy of the last waterfall, dig up the last ounce of mineral, fill the air with marvelous machines at the earliest possible moment.

To the American "big business" man the idea of liberty is individualistic. To him to be free means to have an open field and plenty of unrestricted competition, freedom to will things himself and to will them into being, freedom to work as no other man on earth works, freedom to struggle each by himself with destiny. His sole idea of social control is such control as will remove all hindrance to this almost savage individualistic achievement. His only idea of a state is a referee to insure that all have a fair fight. There is no coercive power in the American State as he sees it. The Declaration of Independence says we are entitled to life, liberty, and not such a static thing as happiness, but rather the pursuit of happiness.

Is it any wonder that the industrial worker, viewing such enterprising men from a distance, thinks the speed with which we are dressing inanimate nature in those wonderful works of man is so great that we have not considered the needs of the working

classes. The industrial worker says to himself, "Shall the footstool of the good God be brought to a state of material perfection even at the cost of happiness to countless generations of human beings; or shall the development of the inanimate earth be only a stimulus to the material, physical and spiritual development of humanity as a whole? Who shall say that the individual must wither while the world is more and more?"

Because they make success their sole test of manhood and ability, the far-away managers often make errors in selecting the overseers and foremen who deal directly with their employees, the workers. It is difficult to select instances from business life to fairly illustrate why such failure is common, but an illustration is found in governmental work. In the United States Patent Office there is one examiner who passes on inventions in buckles, buttons and clasps, another who passes on inventions in industrial chemistry, another on inventions in railway brakes, etc., etc. The Commissioner of Patents seeing such examiners only when they come into his office, away from their actual work, is seriously handicapped by reason of the wide differences in their fields of work when he attempts to select the best one for promotion to examiner-in-chief. An examiner-in-chief has to pass upon the rights of the inventors who may appeal from the decisions of the examiners either in any one of these classes of in-

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vention named above, or in any of the two hundred odd other classes of invention. In business life the differences in fields of work are equally great, and often when a man is promoted his work may be utterly unlike what he has been accustomed to. If he fails to make good, as often happens, he is likely to blame others, his subordinates.

In one of the novels of frontier life is given a graphic picture of the lumbermen breaking a "log jam" which threatens to dam up the river and flood the country. A young son of one of the owners of the logs, from a great city, perhaps himself a part-owner, who has come to view the excitement, sees one of the men caught in the tangle of logs and killed. He is horrified that the rest of the men keep on with their work. Finally the jam is broken, and most of the men can take a rest. Doubtless that son returns to the city and eventually inherits his father's wealth, and sits in his comfortable office while other log drives go on, and other men are killed doing the work. Such a case is typical. The directors of great corporations enter regrets upon their minutes and pass flattering resolutions when a fellow director dies, as die he must eventually. Such resolutions are often reported to the stockholders. Seldom are the deaths of the financially lesser men, who died on their job, noted in such reports. This is not due to personal callousness in the presence of human disaster, but it may well be called due to

group callousness. Few people realize that civil engineers have computed how many cubic feet of rock can be excavated on the average for each human life lost. I have never seen the figures in print, but in accounts of large engineering undertakings like the huge Pennsylvania Station in New York, the statement is often made "there were lives lost, as was to be expected, but no serious accidents occurred, so the loss of life was within the expected limits." Is it any wonder that the more intelligent workers view almost with horror such cold, calculating reports of civil engineers as are typical of this and the other great undertakings of civilization. Is it surprising that they find a close parallel between these and the methods of war, where the general, safely seated miles behind the front trenches, estimates the cost of a hundred yards of captured trenches as "well worth the cost of the lives sacrificed?" Is it any wonder that the hesitation in the reports of civil engineers to openly state the cost of building as measured in human lives, is compared to military censorship which conceals the horrors of war, suppressing news, and suppressing such books as the graphic, yet sane, *Men in War*, by Latzko?

The "Rotary" is typical of American business,—conscious of a great message to the outside world, but never a word of fellowship with subordinates, or of sympathetic human interest in one who begins life as inferior in mental capacity, or handicapped by

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physical misfortune, or by unsurmountable economic barriers. For men of their own class, however, such men have a keen sympathy. In a New England city, the son of a prominent manufacturer having inherited his father's factory, decided to go into some more "gentlemanly" business, and launched himself into the stock brokerage business. He failed. Poor and struggling teachers who had asked him to invest their funds, lost all entrusted to him that was still in process of being invested. He, however, had "good friends." He was director of several banks, and got \$5 for each weekly director's meeting he attended. He was director in a large transportation company. As member of the executive committee of that he was paid \$25 for each weekly meeting he attended. So he did not suffer. He was a member of the "caste" of which the Rotary Club is typical. He had been honest and had lived up to the law. Those who trusted him to invest their funds were the sufferers.

The spirit of the Rotary Clubs is also found among women. When an able, forceful and rather wealthy president of a day nursery was making an evening visit to a mothers' meeting, the efficient superintendent had undressed some of the children who had been brought by their mothers. Then she hid their clothes where the president would not see them. When the lecturer for the evening asked why she went to this trouble, the reply was, "You know Mrs.

G——, the president, thinks the poor women ought not to waste time and money on such fancy clothes for their children, but I believe they should take pride in their children, and I'm not going to give Mrs. G—— a chance to criticize them." This superintendent knew that these poor people needed ambition, and a chance to express their aspirations, just as much as did wealthier people, like that president. She knew that if those economically handicapped were to rise, they must learn the joy of expressing their aspirations in realities, so they might learn something of the value of the rewards that would come from efficient management of their every-day affairs.

That president lives in a hotel on her invested income, and she has the comforts of life. She believes in efficient management, in "cutting off the frills," because thus she has more time for "the larger life." To her efficiency means more income, and therefore more of the larger life. To those poor women, attractive dressing of their children was the sole available expression of a "larger life."

When I asked the general manager of a corporation whose stock is quoted on the New York Stock Exchange, why the President of the United States kept a certain much criticized man in his cabinet, he said, "He is the man who does the dirty work on the hill,—he sees the Congressmen and fixes it so they vote right." When I remarked that I thought



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this President used different methods, he continued, "Oh they all do it. It's the same all through business." So deeply is the idea of "wire pulling" as a necessity, ingrained into the men of big business.

"Big business" requires efficiency for immediate objects rather than faithfulness to what seem remote and imponderable abstractions. The watch cry is "We are confronted by facts, not by a theory," and in group production, group selling, any disturbance, however small, any question of personal, or group morals, or ethics, which ruffles the smooth working of some group function is irritating, is usually vexatiously obstructive of the business in hand; it puts the machine out of gear.

The spokesman for the sense of group solidarity, pointing to the normal course, says to the disturber of the equanimity of the group, "This is the only process available, let us make the best use of it we can, and take the risk of coming to terms with principles afterwards, if that be necessary." The disturber may be hitching his wagon to a star. The group following the leadership of its spokesman tends to hitch its wagon to anything that is going its way.

Group loyalty thus comes to be first and absolute over all the other loyalties of life. Republicanism and democracy—life, liberty, and the pursuit of happiness—are construed to require a uniformity of conduct no less complete than that demanded by the

political theory of autocracy; and the unpardonable sin is to break the ranks. One who breaks is easiest disposed of by expulsion from the group, cutting him off from every function within the group.

In public life this attitude is represented by the suppression of free speech. The easiest way to remove one whose words threaten group solidarity is to intern him, or expel him from the country. Instead of removing him, the group leader may be content to terrorize him to silence in the presence of the group leader, driving him to underground discussions. This, of course, is the method of the Czar's police in Russia. In the Russian revolution we have an example of the explosive force generated by underground discussions, and the upheaval to be expected.

Many among the workers believe that it is the folks like the Rotarians who live sheltered lives in conditions of ease and security, far away from the racket of the common world, and academic persons who think in abstraction in a seclusion unruffled by the harsh brutalities of our social system, who become ecstatic about civilization. To workers the test of a civilization does not consist in vague generalities, in vague "spiritual treasures," but in the kind of men it makes, and the kind of life it provides for them; and the crime of modern civilization is that it makes everything but men.

The workers have been taught by their leaders to

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believe that so long as civilization was a spontaneous growth out of the native human need of a social existence, it was a living thing; and as a living thing it could grow. But they think a subtle change came over it. It ceased to be an organism and became an organization. The plant was transformed into a system of legal obligation. The extremists among the leaders of the workers have developed the Industrial Workers of the World, who say in their preamble: "We find that the centering of the management of industries into fewer and fewer hands makes the trade unions unable to cope with the growing power of the employing class. These conditions can be changed and the interest of the working class upheld only by an organization formed in such a way that all its members in any one industry, or in all industries if necessary, cease work whenever a strike or lockout is on in any department thereof, thus making an injury to one an injury to all." As a foundation for this belief, the I. W. W. leaders declare: "The working class and the employing class have nothing in common. There can be no peace as long as hunger and want are found among millions of the working people, and the few who make up the employing class have all the good things of life. Between these two classes a struggle must go on until the workers of the world organize as a class, take possession of the earth, and the machinery of production, and abolish the wage system."

The Rotary Clubs are a great stimulus to the nation through their strong national organization. The great danger is that in turning their back on failure, these men are turning their back to an unrest just as real as that to which the nobility of France turned their back in 1789.

These Rotary Clubs are a symptom of the same healthy spirit which brought up the Economic Clubs—business men's dining clubs—all over the nation in the first decade of this century. They see problems and they want them discussed, so they bring speakers of every sort of opinion to their dinners. When these men come together they do not "talk shop." Frequently their talk is of city, state, and national problems. Almost to the same extent as the Rotarians, the members of these Economic Clubs believe in themselves, in each other, and in the future.

Early in 1914 a prominent New York business man said, "The next time I go to Europe I'm going the H——, or the N—— line. I've crossed more than once in the X—— line, and the passengers never see the captain. But on the H—— line the captain spent a lot of time among the passengers and made himself agreeable to them." This is not a peculiar case. That very year one of the great trans-Atlantic steamship companies announced that they planned to put two captains on each boat, one for navigation and one for "the passenger end."

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The truth seems to be that the men of Big Business have been so exclusively associated with salesmen and executive officers, who make a study of managing men, and making themselves necessary to their superiors, that a Big Business man cannot endure even a five days' steamer trip without similar attention from the biggest man aboard; viz., the captain. This is only another symptom of the attitude of mind which makes the men of Big Business intolerant of the methods of their factory "hands." The salesmen and others with whom they come in daily contact, are men capable of looking out for themselves, and trained to care for their own interests. The factory "hands" have not this training; rather they are trained to intrust their interest to others, and it is little wonder that what they do sometimes astounds and ruffles their employers.

Quite another type is the self-made man, as I learned to know him in the New England factory towns and cities. The New Englander, accustomed to know personally the problems and needs of his "factory hands" and of his fellow townsmen, seems far more approachable to his subordinates than does the New York City man. He is far more on the outlook for bright men to promote, to train to succeed him in the business. He has a personal and family ambition, but it is not the selfish one of the New York City man, trying to keep the whole for his family. The New Englander prefers to be one

of a growing, coöperating group, depending for growth on mutual help rather than personal dominance.<sup>5</sup> Perhaps this ideal of coöperation is characteristic of the towns and smaller cities through the whole nation.

In this materialistic age the question naturally arises, "What is success measured in money?" Such a question cannot be so answered as to give general satisfaction, but it is possible to give materialistic thinkers some interesting data. The report of a committee of the American Society of Civil Engineers appointed to investigate the earnings of its members, says ("Proceedings," December, 1914) that \$4,224 a year was the average earnings of all members answering their inquiry. They give good reasons for believing their figures are true for all members. Since this average includes men, apparently quite a large number, who earn from \$50,000 to \$150,000 a year, the figure is too large for what would be commonly called the "average member." The committee found that the man who was half way between the bottom and the top of the list of names, the median man, earned about two-thirds as much as the average man, that is rather less than \$3,000, although the median man among engineers with more than fifteen years' experience earned well over this sum.

The American Society of Civil Engineers has endeavored to make membership a privilege reserved

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for those worthy of general recognition as capable and successful in their work, with the result that practically every civil engineer of any standing seeks membership. There were in the United States probably about fifty-five thousand civil engineers and surveyors in 1914, if allowance is made for the increase over the census of 1910 which showed 52,033. One in seven or eight therefore belonged to the Society, and since only about half of the Society membership earned \$3,000 or more a year, we assume that about one civil engineer or surveyor in fifteen earned this amount.

A careful survey in 1917 of the positions for chemists in the civil service, showed that in 11 per cent of the positions under the United States, the States, and the municipalities, the pay reached \$3,000. In a discussion of the earnings of the civil engineers and the chemists, the general agreement seemed to be that \$3,000 a year was the dividing line by which to recognize the successful man. I am quite prepared to believe this figure is set too high for 1917, although in the larger cities, members of the Rotary and similar clubs would probably set \$10,000 as the bottom limit. Early in 1914 I was on a committee managing a philanthropic industrial school. We talked of hiring a business manager. A business man with wide interests said, "It will cost us \$1,800 a year." I intimated it would cost a good deal more.

"Oh! you can always hire an able man for that price, there are thousands waiting for it. The only trouble is that when you get one you can't keep him. As soon as he has an opportunity to prove himself, some one will lure him away. You would probably have to count on paying him \$2,500 eventually."

As will appear in another chapter, we know that about four to five per cent of the men in America are of very superior intelligence. If every man of very superior intelligence was successful, measured by the Civil Engineers' standard, we would have had towards a million men earning enough to pay an income tax in 1914. All told only 334,535 men paid such a tax, and many of these paid it only because their investments raised their income above the exemption limit. How many that was we can only guess.<sup>6</sup> It may well have been a hundred thousand or more. Then there were over 100,000 share holders in the American Telephone and Telegraph Company in 1918, and the same number in the Pennsylvania Railroad Company, to say nothing of other companies, and bond holders. It is evident that America is allowing a few of the men of very superior intelligence, by fortuitous combinations of circumstances, to come into profitable positions of authority, or to win wealth for themselves, while in the vast remainder, unused intelligence is rusting itself away. The discovery that 25 per cent of the



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draft army recruits in 1917 and 1918 were illiterate is only a first step in revealing our blindness to vast and needless inefficiency in the democratic institutions of which we claim to be so proud.

## CHAPTER III

### BUSINESS METHODS AND BUSINESS ETHICS

IN the first few years of the twentieth century, when I visited the textile, paper and other mills and shops of New England as a chemical and oil salesman, I found that the superintendents of the most successful mills were most easily found in their offices soon after 7:30 in the morning. A factory usually started at 6:30 A. M., and the superintendent would visit some department at the beginning of every day, see that the things were running right; come to his office, and then go home for an 8 o'clock breakfast with his family. He then would come down to the factory about 10 o'clock, finish going over it, and then come to the office and then settle the problems of the day. In many cases, the superintendent would also go over all or part of the factory again some time during the afternoon. In this way he came to know all the employees by sight; even if they were hired by the foremen; and they came to know him as one interested in successful, inconspicuous, faithful work,—work in which errors and accidents did not occur.

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Such superintendents had the good-will of the employees. The employees learned to associate the superintendent with every-day routine, and on the whole, with the pleasant side of the work. In New York the attitude of the managers of industry has become often, perhaps usually, very different. I know one manufacturer who says he cannot get the kind of boys he used to,—the boys who would grow up in the business. That may be so, but he forgets that he has changed his methods. Twenty years ago, he was general manager of the company, as he is to-day. But in those days, he sat at a desk, just to one side of the door of a store which opened directly off the street, and which was his wholesale salesroom. Here he met every one, the new boy, the old porter, the possible customers, the disgruntled employee, the would-be salesman, and those from whom he bought his raw material. All of these met him daily, and the boys were in sight of him all day.

To-day he sits in a second story corner office, elegantly furnished, to which no one has access without interviewing at least a telephone operator, and probably also a salesman or office boy. He is partitioned off from his boys and from the world. He used to expect men to grow up into the business. Perhaps he does now, but he talks more of keeping the business in the family of the children of his own and his partners' families, only giving the promising

employees a few shares of the stock, which they contract shall be sold back to the company if they leave or die. There are large firms, whose names are household words throughout the United States, of which I have heard the owners openly avow that they intend to keep the business for all time in the hands of their families; employees may grow up and earn large salaries, but the capital and its management must always be controlled by the family, or the trustees of the family, even if the management must for strategic purposes give an interest in the profits to an employee.

Where factories far from the big cities are run by business men of this character, the separation of capital and labor is very marked, in especially as regards the daily life of the workers. If a new superintendent is needed, he is likely to be drawn from the office force, rather than the ranks of the workers. Perhaps he is even more likely to be an "efficiency man," taken from some wholly different business. It is the running of business by telephone which has made this type of management so convenient as to be common. The factory sends in daily written reports, and on the basis of these the business manager in the far-away city directs the management of the factory, using the telephone for such details as cannot be adequately covered by written reports and letters.

This whole method is commonly called the "big

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stick" policy, because it enables the adroit talker and manager to rule by threats delivered over the cable, the telegraph or the telephone. The threat is often delivered through a subordinate or an ambassador who has so little discretion left with him that he is often called an "office boy."

Rather this should be called the "absentee landlord" policy. The ownership of the factory and its tools of industry is as much an absentee ownership as is the absentee landlordism which has brought Ireland and some of the Continental States into such difficulties both political and economic. A philosopher says: "One evil which is especially noticeable in large states is the remoteness of the seat of government from many of the constituencies—a remoteness which is psychological even more than geographical. The legislators live in comfort, protected by thick walls and innumerable policemen from the voice of the mob." Such an evil is equally true of the organization of big business.

One result of the choice of overseers, foremen, etc., by a manager in a distant office has been the selection of men and women who are so lacking in tact that they could never have prospered in a world where success depends on keeping on good terms with one's fellow men. Collective bargaining is no cure for tactlessness in overseers.

Although he is said to have yielded to the temptation to select men from his office, until more than

half of his multimillionaire partners were promoted stenographers, Andrew Carnegie avoided many of the other troubles of management by compelling his managing partners to live "at the works." He is reported to have said to each of his partners, "I'm the financier, and you are to get out the product. You can have as fine a house as you want, but you've got to be on the spot all the time. Come to New York, if you want to, but if you do, you will have to find some other business."

In some trades where skill of some peculiar kind, such as artistic skill, is the most vital factor, unrest has largely resulted from the temperament of the employer. This is true of the needle trades, especially in large cities. In such trades, partly because women's fashions in clothes play such a large part, the work is exceedingly seasonal. Moreover a good designer, or a fair designer who is a good salesman, can hire a loft furnished with a few power sewing machines, and establish himself in business on a few hundred dollars capital. The fact that he sets himself up in a large city enables him to play the part of an utterly irresponsible tyrant over his employees. In a great city he has not the personal responsibility to his social environment he would have if his factory were in a small community, and his doings were noised abroad among his neighbors. This gives scope to his tyranny. Moreover in a large city there is an ample supply of drifting work-

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ers, easily hired and easily fired. Says one four-minute speaker for the Liberty Loan, "I was one of a group of speakers for that factory. I saw the superintendent, he may have been the owner, place before a girl the loan application blank, authorizing him to deduct weekly payments from her wages. She said, 'I can't afford to buy one.' 'You must,' said the man. 'I'm an officer of the government.' 'But I only earn eleven dollars a week, and this week I was arrested, and it cost me two dollars.' At this the man shook the girl until she began to cry, saying all the time, 'I'm an officer of the government, you've got to sign.' He put a pen in her hand and she wrote her name on the paper. There were good Americans with me and they did and said nothing. I expostulated to no purpose." In a small community perhaps that man would have been brought to trial for calling himself an officer of the government; at least he would have some fear of that in peace times.

Doubtless the "good Americans" who formed that group of four-minute speakers are proud of their country, forgetting the effect that this incident had on other work-people, who stood by and saw the "good Americans" tacitly approving. Is it any wonder that these work people regard the "capitalists," who make speeches for the Liberty Loan, as a hostile class, and believe a "class war" is almost a reality? If that girl Anna leaves before her liberty loan

bond is wholly paid for, probably the employer will confiscate it. He may do so anyhow. The girl would have little chance of proving her ownership in court, and even if she did, the lawyer's fee would probably absorb all the value of the bond. The "good Americans" forget that similar tyranny for other purposes is probably of everyday occurrence under that employer. All they are interested in, is the apparent efficiency shown in the report of their section in the Liberty Loan campaign. Does it stand for liberty to that girl and her associates?

Just as the recent drift of industrial organization has brought the fighting type of labor leader to the top, with the accompaniment of selfish ideals, ambitious to dominate the industrial field, so the growth of big business has brought to the top the financial and organization manager who is the best fighter.

We need to develop service ideals in business, such ideals as furnish the motive for the economic program of the farmers' Non-Partisan League—service of capital for those struggling out of debt, service of grain selling and grading for the producers, service in distribution of manufactured goods bought with proceeds of the grain sold. To the rank and file of the Non-Partisan League the ideal is a community where labor means service, finance means service, organization means service. When service becomes the ideal, commerce can be more economically run, and industry can produce more efficiently.



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But the conception of service must differ from that of the Rotary Clubs. Service must help the individual as well as the group.

One of the serious effects of modern group organizations is the ease with which it lends itself to exploitation of those ignorant of the devices of group management. An example taken from the practice of dentistry will indicate the possibilities. A dentist at a dental school has two choices on graduation. He can enter the employ of an organization of "chain" dental offices at \$40 or more a week to start with, rising to \$100 or more a week, depending on his ability to sell \$25 sets of teeth to patients who are drawn by his advertisements of \$5 sets. In fact if he is efficient he will never sell even one of the \$5 sets he so widely advertises. He may start one such set for the patient, but he also starts a higher-priced set—has the latter on the instrument tray when the patient comes in, and he artfully persuades the patient to "see the difference." Almost always the patient does see the difference, and either forfeits the \$5 deposited, by failing to return for the \$5 set, or else pays for the \$25 set. The dental student may choose the other career open to him and begin with what is commonly called "ethical" dentistry. In this he may earn \$10 a week for the first year, working in the office of an "ethical" practitioner. His rise will be slow, but eventually he will probably earn \$100 or more a week, too. Civiliza-

tion thus penalizes the "ethical" dentist at the start. The cost of being ethical is almost prohibitive for the young man who has to make his own way in the dental world.

Is it any wonder that the groups of professional men represented by the \$5 dentist and the "ethical" dentist, alike fail to find any underlying ethical purpose in civilization?

To any one familiar with the avowed philosophy of big business the wonder is that the ethical factor continually makes itself felt, and that these managers of men have, on the whole, so little abused their power. Such subordinates as the men of big business meet daily are mainly executives and salesmen—all of whom are both well able to care for their own interests and accustomed to do it, and who receive constant training in a selfish outlook. The managers forget that other workers are different. The managers unconsciously are guided in their treatment of all by the type with which they come in daily contact.

The real peril is that the business managers become so out of touch with those outside their office as to forget the human element. In running business by telephone they know only what one person tells them, and they know nothing of the struggles they do not see. With the concentration of offices in the big cities this is a growing peril.

The great danger is that the coming generation,

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growing up in the religion of success, will look upon the world with the same point of view as the enterprising young business man and Harvard graduate who came up to my wife as she was putting up posters which called attention to the need of patriotism in fighting the slum peril. Said he, "Why do the people stay in the slums, why don't they come out of them?"

Some months ago when discussing the labor problem with one of the pastors of a well known church, of which the attendance, largely of working people, is limited by its seating capacity, the pastor made the remark that there was not now a single business firm or organization whose employees were not avowedly hostile to the management. I endeavored to disabuse him of this idea, citing my own experience, when as office manager of a wholesale and retail store I knew that the clerks and porters would have followed me in any work, pleasant or unpleasant, for the benefit of the store, as devotedly as any soldiers would follow an ideal leader in battle. I could obtain only an admission from the pastor that while devotion to an employer might be found sometimes, it was practically an unknown quantity in modern life.

As I write these words comes the announcement of the Endicott Johnson Corporation that it has been formed to operate for the joint profit of workers and stockholders, the business of Endicott and

Johnson, the largest shoe manufacturers in the world. It is said that the partnership, which is now to be succeeded by this corporation, has not only never had a strike, but not even the suggestion of a strike.

I have a friend, a machinery manufacturer, who has no labor disputes at all, although to a considerable extent his working force is recruited from the dregs of the earth—he has at least one man among them who has been tried twice for murder. I know from what this latter man tells me—and I knew him before he worked for my friend—I know that those who work for my friend have a personal devotion to him almost unbelievable.

In a totally different line of business is a manufacturer who helped found the Merchants' Association in New York. His sales-force gave him recently a surprise dinner,—enabled to make it a complete surprise through one of his friends. It is the custom in his business to give a silver tea service to each office employee or salesman on his twenty-fifth anniversary of being with the business. Of the twenty-two who were at the dinner seventeen had received their silver services, and even including the newest comer of two and a half years' standing, the average term of employment was twenty-nine years. This business has lost many more from its sales force by death than by resignation and discharge combined. I am not personally familiar with the

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conditions in his factory but, since grandmothers have worked practically continuously in the factory beginning before they married, and now work side by side with their children and grandchildren, it is evident that the manufacturer is not exaggerating greatly when he claims the same kind of mutual devotion in his factory. Doubtless such factories and businesses are more common than we are willing to believe. We are misled as we read the newspapers and listen to the tales of industrial unrest.

The spirit of public interest among business men is far more common than is generally realized. Doubtless many of us who have lived in New England know some of that group of men who were so impressed with the wastefulness of the usual method of collecting premiums for industrial life insurance that they put up many thousand dollars apiece to enable the savings banks to offer industrial insurance at cost, eliminating the expensive collectors. One of these men was a large shoe manufacturer who never has had a strike in any of his several factories. Another group of manufacturers who were interested in a Massachusetts Savings Bank replaced the scores of thousands of dollars an absconding teller stole, just because they did not want the thrifty workers to suffer.

Acts growing out of ethical interests of these types do not make good news, and so are often forgotten. We must not forget that these types were typical

of the America of fifty years ago, and as we look at the other side of the picture of industrial life to-day, we must remember we are looking at pathological symptoms instead of typical cases.

Probably the ethical abdication of the newspapers threatens more danger to civilization than comes from any other business enterprises. We take it as a matter of course when we hear that William Randolph Hearst manages his newspapers solely to make them sell—urging a certain reform in one place, and fighting it in another. We also take it as a matter of course when we read testimony saying that the editor of the *Tribune*, in December, 1918, standing for blatant, self-righteous Americanism, was the man who, a couple of years earlier, sought for publication essays which were called strongly pro-German. We have ceased to look for personal ethical values in the men and women behind our newspapers. We rate newspapers by materialistic circulation, and by advertising value, just as they seek circulation, not the progress or the ideals of civilization. In Paris there are several times as many newspapers as there are English language papers in New York, or in any other American city. Several of these Paris papers in circulation surpass any American paper. They are only a few pages long, and represent the ideals and the policies of their editors. They may be said to be interpreters of life in terms of ethical values, rather than purveyors of exciting

news. The character of the American newspapers, and their small and decreasing number, threaten not only the possibility of the discussions essential to democracy, but also the spread of any form of constructive idealism.

Moreover American newspapers are firm believers in the proverb, "Nothing succeeds like success." They almost universally suppress all news of libel suits, and of everything else which might seem like an admission of fallibility. In no phase of American life is the failure to realize the true elements of the scientific spirit more apparent than in the lack of humility of its newspapers. Scarcely ever do we see the apologies for libel and error so characteristic of the English papers. One American editor<sup>1</sup> writes: "I was perfectly ruthless in my ambition. My one desire was to stimulate the circulation, to develop stories that would catch the attention of readers, no matter what was the character of the stories. They might make people suffer, might wound or utterly ruin some one; that made no difference to me, it was not even on my mind. I cared only for results, for success to the paper and to myself." Such lack of deference to the rights of others is a symptom which promises ill for the future of democracy in America. And if it be true that ethical values are essentially social values, no symptom is more significant of a lack of ethical values.

I had grown up in New England business life

in an environment of business idealism like some of the examples cited above, and my first realization of the prevalence of a widespread belief in a different philosophy was in the "amen corner" of a well known New York hotel. Here three or four years ago business men were discussing the bankruptcy of a popular cigar dealer of the neighborhood. It appeared that one of the large "chain" cigar stores corporations had felt this dealer's competition, had bought the lease of his store over his head, and had forced him out. He soon found another nearby location, but the corporation bought this out also and forced him out. This happened twice more, and then he was bankrupt. The able head of one of the great business men's organizations, later an executive head of the National Chamber of Commerce, said, "What could he expect, fighting a big corporation? They had the money and the right to succeed, and he didn't have the money; that's life."

Although this able man started with nothing, his present philosophy of liberty and competition hangs as a threat over the commercial and industrial life of America. He does not live up to this philosophy in the group made by his own employees. He never has labor troubles in his large factory or with his large selling force, because he keeps in personal contact with his employees, and he would not for a moment tolerate among them that attitude of mind toward each other which the management of



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the "chain" cigar store corporation adopts toward outsiders.

Men like this Chamber of Commerce executive are common in the business of our great cities, particularly in New York. I do not believe they are characteristic of American business life as a whole, but I wish to draw attention to such because they largely contribute to the intolerance and harshness of business method which has added fire and venom to the industrial unrest of our big cities. They make up organizations like the Merchants' Association of New York, which has done excellent constructive work for the community, and yet bitterly fought the law which enabled the Post Office Department to operate the parcel post. It objected to a zone system of parcel post because New York is near the sea, and as a result a zone system of parcel postage charges benefits Central Western cities more than it does New York. The Central Western cities are on all sides surrounded by towns, cities and farms, all of which contained customers for those cities, while New York is surrounded only on three sides by land, for on the fourth side is the ocean, so there are no possible customers on that side. At a later date the same Association fought against the proposition that the United States should join Canada in making surveys to see if navigation of the St. Lawrence River could be improved. The objection to these surveys was that an easily navigable St. Lawrence

“threatened the supremacy of the export trade of New York City.” It is of course true that the Merchants’ Association is endeavoring to bring about the actual carrying out of schemes for improving the facilities of New York harbor and railroads for handling freight and passengers. Many labor leaders and reformers would have more respect for the Association if it avoided the attempts to maintain the supremacy of New York by methods which seem to them primarily selfish.

The labor leaders say that it is no wonder that the men represented by the Merchants’ Association fight bitterly all socialistic movements, and the Bolshevik or Soviet Government of Russia. They say the business men imagine their own selfishness is universal. They are accustomed to fortify their property and their comfort by indirect means. A certain West Side New York hotel stands on a street which has no street car tracks at that point, but both the public and the Street Railroad Company were anxious to have the tracks extended to the hotel, so that they could cross and connect with three more street car lines as well as the subway and elevated railway. The owners of the hotel and the people who lived in it succeeded in having the street defined by law as a park street, thus bringing it within the law prohibiting the operation of a street railway upon it. When I inquired of these people why they fought a street railway so bitterly, the

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only explanation offered was, "We don't want to have crowds of people standing around in front of the hotel waiting for cars all day long, and we don't want the noise of the car line." The very fact that crowds would be waiting all the time seems to the social reformer a sufficient excuse for putting the street railway line through,—the crowd proves that the demand for it really exists.

Great corporations use similar indirect methods. It used to be said that interests identified with the Pennsylvania Railroad Company owned large tracts of land lying across every good location suitable for a new railroad in entering Philadelphia. Some of these tracts were rented out as grounds for golf clubs, but no new railroad could enter Philadelphia across the land thus held.

By methods equally concealed from the average person, the newspapers and periodicals are utilized for the suppression of criticism and competition, sometimes being themselves entirely unconscious of the fact that they are being used in this way. Such utilization of the press is only possible because of the growth of business groups large enough to be strong, and almost vital factors in their patronage of the press, mainly as advertisers. It was not until within the present generation that individual advertisers, such as department stores, became powerful enough financial factors to enable them to influence greatly the publishers who have to rely on

advertising for financial success. That the public is only dimly aware of this utilization and control is largely due to the fact that the advertiser can readily bring his influence to bear on the publisher without creating evidence in any incriminating documents. He merely places his advertising through a broker, giving the latter a hint to warn the publisher against any criticism of the advertiser. The broker knows well how to efficiently hold over the head of the publisher the threat of withdrawing his advertising patronage. He thus exercises the desired influence in such a way that neither he nor the advertiser could be convicted of conspiracy in any court, and the chance of being detected and publicly denounced is so remote as to be practically nonexistent.

Only one who has read the humbly apologetic letters written by newspapers to "ad-brokers" promising faithfully to do better in the future, after they have published news reflecting on a department store, can realize the enormous but easily concealed power wielded by corporations conducting national advertising campaigns. One naturally wonders how far the recent quarter-page and other advertisements of the great packing companies, which have appeared throughout the country, have been intended to be informing, and how far they have been placed to obtain power over the press. At any rate the

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severe criticism of the packing companies seems to have stopped.

Some years ago, perhaps in 1910, visiting the home of an ancestor, which still seems large and comfortable, I asked the prosperous butcher who occupied it, how much of his meat was Western. "Oh! I butcher all my own meat," was the reply. "Armour and Swift are the only Western packers with branches near enough for my trade, and they won't sell any one who does his own butchering. It wouldn't make any difference if the other packers had branches here, they all have the same rule. So far I've been able to get cattle regularly, but if I don't I'll have to quit. I pretty nearly got caught about three months ago. All the other men around here who did their own butchering have quit. They had to, when once they couldn't get cattle to kill, because stopping a single week broke up their trade."

I do not know whether this butcher was telling the truth or not. From an economic standpoint the all important fact is, that his was the common belief as to the policy of the Western packers, with the result that farmers for miles around, anticipating a "freeze-out" of the local butchers, had ceased raising cattle for meat, except pork. It was not the prices but the policies of the Western packers which were driving the local butchers out of the butchering business. Even if these Western packers were

usually willing to sell to these local men, to give what the electric central station plants call "break-down service"—even if the packers were usually willing, a belief that such service might be refused was effective to deter new business adventurers from starting to do butchering. It is effective for the same reason that school and church and Sunday school attendance is considerably less on a day of threatening weather than on a really rainy day.

It would appear that the obviously enormous expenditure of the American Telephone and Telegraph Company in advertising apparently gives it the same control of the periodical literature that the railroads have had in the political and legal field. So firmly is the belief in the almost omnipresent power of great corporations ground into many people that I illustrate by two incidents taken from my experience as a wholesale salesman. I called on the superintendent of the gas plant at a little New England town, and found he was in the market for a tank car of gas oil. He said, "Quote me a price delivered. I know I won't have to ask the Standard Oil. You know the railroad refuses to publish any through freight rate from the refineries to New England points?" I nodded. "Well, you see, just as soon as you ask for a freight rate, the railroad people notify the Standard Oil. You will have to wait two days for your rate, and the Standard Oil man will arrive here early in the morning of the day your

letter should reach me." I found that his prediction was true.

Another time I had a chance to bid on a city contract for a tank car a week of gasoline throughout a year. The refiner refused to quote. He said, "I am ready to sell any number of carloads ahead, but if you take a year's contract of that kind, some of my tank cars will be inspected by a railroad man and ordered into the repair shop while on the way and kept there until the city is all out. No. The Standard Oil people have the railroad men on their side—their cars always get through. I am perfectly willing to sell fifty cars ahead, but I mustn't take a year's contract with any one away from the Standard."

To the same general effect was what a group of young bond salesmen and accountants told me in an expensive New-York boarding house. "Each of the smaller bond and investment brokerage houses is tied up to one of the three or four great groups of banking interests. When one of these groups underwrites a big bond flotation, they send out letters to the small fry in their train saying, 'We have put you down for so many million.' We have to take what they have put us down for, whether we believe it is a good thing or not. If we don't we will never get in on any other deal, and they won't help us float any deal of our own."

Corporations seeking contracts on public works

sometimes secure them by indirect bribery. One such contractor said, "We bid on a tunnel section in Philadelphia, naming a price of \$3,000,000 for completion within twenty months; \$3,500,000 for completion within sixteen months; and \$4,000,000 for completion within nine months. The city was in a hurry for the tunnel because it was part of a long system, already partly under way. B——, a Philadelphia contractor, got the contract at about \$3,500,000 for the nine months' limit. He told us to build it. We said we could not possibly do it so rapidly for that sum. B—— said, 'Go ahead, make what speed you can for \$3,500,000. I will see that you have all the time you need—accidents will happen in the rest of the work, and make it easy to get extensions on my section.' He was right. The accidents happened. We had all the time we needed, and B—— pocketed the difference."

A contractor had a New York City contract and in some bankruptcy proceeding testified that when he bid for that contract he paid G—— (a well known New York politician) a fee of <sup>2</sup> \$30,000 (i.e., 1 per cent of his contract) for "advice on how to handle union labor." He is said to have run a "non-union shop."

\* It is well known that the railroads throughout the country pay direct or indirect retainers to local lawyers in almost every town, thus keeping those presumably influential citizens favorably inclined



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toward the railroad, and making it more difficult to maintain lawsuits against the railroad. Formerly these indirect retainers were in the form of passes.

The "mob psychology" of group life furnishes other methods of handling groups. One day, during the Great War, meeting my friend whose profession is the raising of money for charitable and other worthy objects, I asked him how the fund was progressing which he was then working on. "Fairly well," said he, "sixteen newspapers in nine different cities have taken it up. Corporal — who speaks in the movie at the City Theater to-night, is on our side, and he will make a plea for us. We have trouble taking up collections, because the theaters think they are doing enough for Liberty Loan bonds. To-night when the Corporal ends his speech a very respectable looking gray-haired man will get up in the middle of the floor and say, 'Boys! if we are going to do anything, now is the time. I move we pass the hat—here's mine with a dollar bill in it.' Then a prosperous looking man will jump on his feet and say, 'Here's my hat, and a five-dollar bill in it. Come on.' We will get a collection which ought to be between seventy-five and a hundred dollars. I had to plant that five-dollar bill, but it was the best I could do."

When groups and crowds of people come together, and are thus manipulated through unseen "wire-pulling," the object sought is often so covertly sug-

gested, and the means so skillfully concealed, that the people themselves fail to realize the "mob psychology" of their group is being used merely as a tool in the hands of manipulators behind the scenes or actually far away. The mob psychology thus utilized did not come ready to the hands of the would-be wire-puller until group, rather than individual, action came to be the basis of civilization.

Often the brighter leaders of labor, and the brighter reformers think they are justified in making sweeping condemnations of business methods and business ethics when they read instance after instance like those cited above. Although I do not believe that these instances are typical of America, I do believe they are typical of much of what goes on in the larger cities and that present law is inadequate to deal with them. I cite them to show that a judge realized some of their characteristics when he said: "The skillful use of two corporations, one against the other, apparently presents possibilities not fully realized. It seems to open an easy approach to the shadowy domain where the 'alibi' is born, and where low morals and high finance reach a common level."

These instances no more prove the prevalence of a "double standard" of ethics among business men than the inherent selfishness of clergymen's families was proved by the actions of the wife of one who pushed her way to the head of a line before an office

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window, and demanded to be attended to first, because she said, "I am in a hurry." We all were in a hurry then; we had landed from a European steamer at that port, one of the smaller ones, and most of us wanted to catch a certain train, the same train as this woman. To the business men who stood in line and whom she had so loudly criticized and declaimed against, in her conversations during the voyage, her attitude seemed just as unethical as theirs did to her. Probably also the old line politicians, who seem so unethical to the reformers, themselves look upon the reformers as unethical. For instance the latter, who are often largely college men, insist that tickets to a great intercollegiate football game can be obtained only through some student or graduate, i.e., through pull. The old line politicians are unable to see why a college man should resent the use of similar pulls in politics.

The middleman, the "double standard of the middleman," has been blamed for much of the reign of high prices, but I believe unjustly. When \$3.50 shoes were the standard priced shoe, it is said the largest maker of those shoes invoiced them to his retail stores at \$2.50, thus requiring the retail shoe stores he owned to show a profit over expenses, from the \$1.00 margin on each pair. He eliminated the middleman, but found it expensive. Other stores were selling shoes of this grade on a margin of 75 cents a pair profit. The middleman or jobber only

made a few cents on each pair, and contrary to general belief, the manufacturer who made more than two or three cents a pair profit was a remarkable man.

Mere elimination of the middlemen, mere reducing the profit on manufacturing—neither of these will materially lower prices. What is needed rather seems to be more mutual interest between the consumer, the producer and the distributor, to make service, rather than the fortifying of individual success, the ideal of all. Perhaps the coöperative system of England, Belgium and Russia suggests the most promising solution.

Our system of handling goods is very expensive; but the fault lies rather with the producer and the consumer than with the middlemen. Denmark and Russia have developed the coöperative production and handling of farm products, especially creamery products, to a very high state of efficiency, with the result, for example, that Denmark, north of England, and so with less sunlight, and no better soil or climate, largely feeds England so far as dairy products are concerned. Coöperative production brings home to each producer his ethical interest in the product, both in quality and cost. Striving for indirect method of control, for monopoly of market, and for the elimination of competition at any cost to those not directly interested—all these are done away with. Energy is directed primarily to bet-

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terment. Surplus funds are often used for establishing schools which give a training especially adapted to increase the efficiency of the coöperative group. The handling of material by the unnecessary middlemen is eliminated. Around the coöperative organization center the desire for better railroad and telephone facilities. The whole of the enterprising population has a centered ethical interest in life, which results in material progress; the whole community profits by it.

Coöperative wholesale and retail stores effect a correspondingly increased efficiency among consumers for the same kind of reasons. One of the handicaps of American merchandising is its tendency to run to extravagances in luxurious appointments to attract customers. In many of the department stores of New York the aisles for the customers are carpeted with a seductive, deep-piled carpet. The counters are of the finest mahogany, or polished plate glass—both easily marred; goods are lavishly exposed and consequently likely to be soiled; and in countless ways the customer is attracted by devices, of which the cost has to be paid by enhanced prices. In coöperative stores such expense is not only unnecessary, but to be avoided. The customer becomes for the time being a shareholder in the invested capital, and soon learns the meaning of efficiency in merchandising. The need of advertising is greatly reduced and a group is built up hav-

ing an ethical interest as well as financial interest in the business.

If the managers of coöperative businesses had clubs like the Rotary Clubs referred to above, the word "service" would have a new meaning in business. Probably true coöperative merchandising would always include the sales clerks and managers as rightful sharers of the profits, so that these, dealing with the already ethically interested customers, would take a new interest in their work. Mere co-operative ideas are not sufficient. The details must be carefully enough worked out to maintain the interest of those who should profit by coöperation. Successful business coöperative ventures have had a profound, though indirect, effect in improving political, and especially municipal, affairs in England. Such might be the ultimate result of coöperative business in America.

When the French-Canadian wife of the gardener and coachman on a small Rhode Island estate went into the "remnant room" of a cotton mill to buy cloth for clothing her family of young children, she lifted her head as she was bending over the counter where she was looking for bargains, and listening to the rattle of the machinery overhead, said, "Doesn't that sound good?" Before her marriage she had worked as a weaver, and the rattle of the looms was music in her ears, associated as it was with regular and creative work.

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The manager of a profitable department in one of the largest American mail order wholesale houses said to me: "Only a small percentage of our customers come to the store-plant in a year, but we have a hundred thousand of their names on our books. As soon as one of them enters the main office, his name and rating as a customer are posted on a board in the salesmen's office in every department. A guide is sent with him to the first department, and this sends a guide with him to the next department. He doesn't know what is going on, but each department gets a hint how to treat him, and about how much value he should buy, and has to report at once what he bought. If he didn't buy anything in some department, the salesman who handled him there has to report the fact and explain why he bought nothing."

I cannot help believing that if foremen of factories were as carefully supervised as the salesmen and heads of departments are in this mail order house, and were held to as strict an accounting for dissatisfaction of those under their charge as these salesmen are, much of the labor unrest would be eliminated. The rattle of machinery would sound like music in the ears of many more of the workers—perhaps in all of them. The owners and managers of the factories would have thrust on their attention dissatisfaction before it materialized in strikes. The supervision may be best done through elected

representatives of the workers. Such methods would probably be found as effective in a coöperative or socialistic organization of production as in a capitalistic one. Failure to satisfy is proof of a psychological failure of service. The proof of successful service to civilization is ultimate satisfaction of those who should be served. The system of this mail order house suggests the outline of a program for detecting success in service.



## CHAPTER IV

### DECADENCE OF THE MIDDLE CLASS

It has been the fashion among economists and sociologists to call the middle class the backbone of the nation; moreover, as will be pointed out in Chapter V, the middle class is the source from which the extremes spring. So in any discussion of the labor problem the nature of the middle class as well as its functions in modern society must be appraised. The reason for its failure in the present unrest must be sought.

The breaking up of the once great Kingdom of Poland is usually explained by saying that, although she had able statesmen, able warriors, and a stalwart peasantry, she had no middle class. She produced philosophers and poets and scientists, but had no middle class portion of the community, that portion of which it has been said that money is the primary condition and primary interest in life.<sup>1</sup> "To the middle class money is more than a token marking the potentiality of service. It is not the means to life, but a part of life itself. The origins of the middle class in Europe are to be traced not so much to their

use of money, as to the fact that their power was drawn from a different medium from that of the governing class of the time. The people of the middle class never wanted money for its own sake. They wanted land, and land was preëmpted, so they were reduced to the accumulation of what was, in fact, a more useful instrument than the land they could not possess." In Poland, so far as this class existed, it was largely made up of Jews, and these could take no part in the government, or the group life of their communities, or of the nation, and for that reason they could not have the function of a middle class in giving stability to the social fabric.

In England and other countries the middle class consisted of the people who became the small capitalists, in whose houses and necessarily small shops the yarn was spun, the cloth was woven, the leather was tanned, and the hardware and the wooden ware were made, up to the coming of the industrial revolution and the rise of the factory system. The people of the middle class were the merchants of those days. All of the middle class came in intimate contact with their help, their "hands" as we call the workers or servants. They adventured their capital in their own or others' private industries and enterprises. Their personality was bound up with the industrial and commercial life of the nation. Their sense of honesty and morality controlled in large part the ethical standards of the whole people, and

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of the government, so far as government was not under hand.

"The English middle class to-day is more a state of mind than an entity. In one sense the upper class looks to the past, the middle class is occupied with the present and the working class with the future." Taking the middle class as a whole, it is respectability, bound up with church going and a comfortable bank account. In the first years of the Christian era, when there were men still living who had seen and heard Christ and his disciples, church going Christianity was a risky life. It meant adventuring body and soul, and family, and capital, for an ethical and religious ideal. In the beginning of the believers' new life it often also meant breaking away from the accustomed social group, and living perhaps an isolated life in a pagan and morally depraved world.

For hundreds of years the average small merchant, lawyer, or farmer has loaned out his surplus capital on notes to his neighbors, relying on his knowledge of their character, ability, and general ethical standards as sufficient guarantee of the safety of his loans. It was not until the coming of the factory system that the partnership of capital and morality involved in these methods of production and credit ceased to be the normal condition of life. I had never realized how widespread was this form of

investment until I attended at the appraisal of the estate of a man of ninety who died during the Great War. Of his estate of over a hundred and fifty thousand dollars, practically two-thirds was in notes for personal loans, and most of the remainder was in real estate. Then I realized how all pervading was the system of personal loans on credit seventy-five years ago, and I found the explanation of my grandmother's many stories of how this woman had met that man when he came to pay a note due her brother; this man had been unable to pay his notes and went West, and coming back paid them all with interest; and so on. The habit of loaning money on personal credit is common among recent immigrants so a bank official tells me. He admitted he was astonished at the number and size of the loans given by people of small savings—"How can they trust each other so!" was his remark.

In America, to-day the definition of the middle class must be very different from that of the old English middle class. In America the middle class clearly includes that vast group of people who have both the hope and some prospect of making it unnecessary for their children to do any productive labor to earn a livelihood. Besides this the middle class includes the great bulk of the intellectual workers, the "soft handed" workers like bookkeepers, teachers, traveling salesmen, clergymen, and the like. If we add to these the smaller storekeepers.

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and the skilled workers, like carpenters, we will cover practically all the middle class in America. In the West, and perhaps in the East, this includes those who can and do sacrifice enough to give their children an education extending at least part way through college.

The middle class may be described with almost equal truth as made up of the people who have a telephone for household shopping or for social purposes. Apparently the telephone is breaking down the middle class group, converting it into a congeries of families who might form a great social group. But they are largely isolated psychologically, and depend on organized amusement institutions like the theater and the restaurant for their diversions and avocations. It is said to have been very noticeable that social life in the smaller New England cities during the strike of the telephone employees in the spring of 1919, regained an activity it had not had for many years. Deprived of their telephones the people fell back into that former kind of neighborliness which alone makes possible the growth of true friendship and the spiritual profit which comes from friendship. People again realized they had common acquaintances, common dealings in town, church and club affairs, and the common property interests, which make the stable basis of true neighborliness and furnish topics of conversation. There were largely reestablished the con-

ditions which existed when neighbors met in country villages, at church suppers, town meetings, and cattle shows, and had friendly, comfortable, democratic relations between many sorts and conditions of men, without great intimacy. Women out doing their household marketing met friends whom they had not seen for years. The almost forgotten habit of evening calls immediately came to life; and people invited to each other's houses to talk over matters, found in this sociability they had forgotten the existence of. Informal family dinners together took place of the luncheons for two "down town" which the telephone had made so popular, because so easy for two to arrange. The failure of the telephone compelled the restoration of the family group as a factor in the community.

The middle class father is seldom at home during the day. Instead of having his children growing up in the family productive group with him, the father nowadays is usually one of a producing or a commercial group which is entirely disconnected from the home. The children cannot learn their father's trade by watching him at work, nor is there any household servant, or mother, or grandmother, who spins yarn or weaves cloth, and from whom they can learn the elements of industry. The children go to school, and as part of the school group learn what their teachers provide for them.

On the farm the child grew up as one of the house-

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hold and agricultural group, always finding a place in the countless problems and tasks which face every farm household, familiar with the coming and going of life in the farm animals and in nature. The child grew up in an environment which gave the parables and the language of the Bible and the classics an ever present interpretation in daily life. There always was profitable occupation, and although the rain might seem to fall alike on the just and unjust, labor brought its reward, even if the long delay from seed time to harvest seemed interminable. The mysteries of life, with its visitations of sickness and death, and its resurrection in the hatching of the egg and in birth were ever omnipresent. Other interests and questions could not overshadow them, or permit the pleasures of life to conceal them. Even until within the last century the city child grew up with much of this knowledge of life and its processes, for domestic animals were widely kept in the cities until modern ideas of sanitation had begun to affect city administration.

Among some middle class people, the old conditions still prevail. I have heard an Indiana business man complain that the farmers there knew nothing about investments except in land. They would not buy stocks or bonds of corporations; they wanted a sense of personal touch to go with their investments. In parts of the Southern States too peo-

ple still invest their capital largely in loans on personal notes.

In such communities the old family group and farm group life largely persist. They make, however, comparatively little impress on the present day labor conditions, because the laborers in them are not part of a labor group. They have no sense of solidarity or community of interest with "labor" as a whole.

We who have grown up in the middle class in cities, who always use silver forks and spoons, whose furniture would be expensive to replace—we hesitate to invite the outcasts to our house, lest we put temptation in their way. In protecting ourselves against little inroads on our income or comforts, we make impossible any first steps toward a sympathetic human interest in our less fortunate brothers and sisters.

Those of us who have grown up in or near the great cities, are astounded when we visit such places as farmers' homes in the Valley of Virginia, and drive off to church, leaving doors and windows unfastened, and often actually open, so that any neighbor or passer-by may wander in at will. We are equally astounded when a woman friend who has gone West to live on a ranch, sends back letters telling how the chance passer-by is invited in and fed and made comfortable, even though there may be no police within five hundred miles, or any men within



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a day's journey. These characteristics of life in the open country show how deeply rooted, in the instincts of man, is the "xenos" or guest right, which we find formulated in the most primitive of human laws and customs.

Although the middle class people have lost the moral training they used to obtain by investing, and controlling their own capital, they are not satisfied to completely lose the spirit of gambling or adventuring in connection with their capital. Of those I have been associated with in office work, and who earned salaries of from two to six thousand dollars a year, I found out from various requests for advice that almost all were carrying stocks "on margin." They were adventuring on the stock exchange.

Modern civilization breeds hope for success rather than constructive planning of the details of enterprise, and develops the spirit of adventure only so far as the responsibility attached to it is negligible. Often people that live well within their income, lose most of their invested capital by continually changing their investments, though they would utterly repudiate any suggestion that they were speculators. I know one steady married man who never spent more than five or six thousand dollars a year, and who occasionally made large amounts in changing his investments. Although he also earned income as a life insurance agent, in thirty-five years he saw his fortune of \$350,000 dwindle to less than \$10,000

A lady, who also never spent her income, admitted seeing her capital dwindle in thirteen years from \$165,000 to \$11,000, and even then refused to stop "trading on Wall Street." One prominent life insurance official is reported to have said, "The average estate lasts from seven to nine years following the death of the creator. Ninety per cent of estates over \$5,000 are dissipated within seven years."

Neither of these two did any constructive social service work. If they had devoted their time and their surplus income to such work they would undoubtedly have had more joy out of life. But civilization offered other attractions, conventional church work; and dabbling in literary attempts, or in amateur antique collecting on a small but interesting scale.

Such lives often end with suicide.<sup>2</sup> The adult middle class is largely made up of people who carry upwards of a thousand dollars life insurance. It is noteworthy that about one in thirty-five of such commit suicide, nearly twice as many as among people of corresponding age, taking the nation as a whole.

Lack of a sense of moral economic responsibility among people of the middle class is indicated by the report published some years ago which seemed to show that a majority of people of the type of Harvard graduates were living beyond their income, i.e., they were obliged to "dip" into their capital a lit-

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tle each year to "make both ends meet." Instead of building up a business by the thrifty measures which were so common among men and women of their relative standing in past generations, they risked a little here and a little there on the stock exchange, buying on margin, and in the long run usually losing; for the brokers always get paid for interest and commissions, while the ups and downs of the stock market are about equal. The same hoping for better times shows itself in the immense amount of buying on the instalment plan, not only of goods expensive enough to cost a considerable sum, but also of books whose total cost is only \$5.

The problem play and problem novel, largely read by the upper middle class, reflect the kinds of problems that now face them. Instead of a joint adventure in life, to struggle with adverse conditions of soil, climate, and equipment of tools, the modern marriage is largely a psychological adventure into the mysteries of the mind and soul of a person of the opposite sex. All this and more is implied in the familiar phrase, "What have they to marry on," so often used when a man and woman of the more well-to-do middle class adventure on married life without invested capital producing an income equal to what they have been accustomed to spend.

The "old-fashioned" novel, with its "wishy-washy" story of the adventures of work-a-day life, still sells as largely as ever among the lower middle

class. About 1905, a very successful subscription book publisher said, "The average farmer's family is pretty conservative morally, and narrow in its outlook in life. If a book is to sell well it must be morally proper, it must have something in it about bringing up the baby to be good. It must have some poetry in it, and some religion. It must be a sort of family adviser in medicine, and must end up with a sort of encyclopedia of general information. The most successful one we ever had was 'Mother, Home and Heaven,' and it lived up to its title." To-day the same family would almost certainly have a supply of humorous and semi-religious talking machine records. Probably no better definition of typical lower middle class ideas was ever given than that implied in that publisher's description. As the baby grows up, the desire for more information than that in the back of the book, develops the purpose of a college education for the child.

The middle class cater to selfishness and desire for aggrandizement because they are wrapped up in the preservation of their capital. They blindly follow the leaders who seductively insinuate or persuade them that capital is so inextricably enmeshed with the present forms of government, of commercial administration, and of society, as to require the preservation of these forms by resort to force. The leaders instil the necessity of utilizing

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the police and courts of justice, against all who seem to threaten the placidity of the existence of these forms.

Little does the average middle class stockholder in a great corporation realize the moral responsibility he assumes in signing a proxy to vote his stock at a stockholders' meeting. One of the most important actions taken at such a meeting is to ratify the actions of the directors. At a meeting of the stockholders of the Northern Pacific Railway Company, which I attended, there were present about a dozen men, mostly important looking, seated about a table, long and broad. Soon after the beginning of the meeting the chairman said: "The present management has proxies signed and ready for your inspection, amounting to one million seven hundred thousand shares, out of the two million four hundred and eighty thousand outstanding." With that he waved toward a pile of some six boxes, about the size of shoe boxes, standing upon the table near one end, and full of papers filed on edge.

After some preliminary business the chairman pointed to a pile of books over two feet high and nearly a foot square, lying on their side, and said: "The next business in order is a vote to ratify the acts and resolves of the board of directors during the last year, as entered and recorded in the minutes in these books." A small man in quite a casual tone said, "I make such a motion." "Seconded,"

promptly said a pompous looking man on the opposite side of the table. "I object," quietly said a small, gray-haired man sitting beside the other small man. "I have had no opportunity to read the minutes and I refuse to vote approval until I understand what it is I am voting for." This gray-haired man is known as "the wolf of Wall Street."

There was a short colloquy in pleasant terms between the "wolf" and another man, who turned out to be a corporation lawyer of high repute. This ended with the "wolf" saying, "I am sorry I cannot agree with you, but I must refuse to vote approval of what I have had no chance to read, and I ask that my refusal be entered on the minutes." This was done, and the vote then taken. Later another man, previously seated at the table, passed around printed ballots, giving one to each person. As he passed them to the men around me it was obvious that he was extremely nervous,—his hand shook so that he could hardly handle the ballot papers. It was obviously a nervous occasion for him and the officials of the railroad. In a few minutes more the ballots had been cast and counted, and with a few formalities, the meeting was over.

The "wolf" of Wall Street is looked down upon by many people. The meaning of his nickname is obvious. Yet I cannot help feeling that he is morally and legally justified in refusing to vote approval of minutes which he is given no chance to

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read, and which in the case of some, perhaps many, corporations, endorse immoral and illegal acts, often done under the cloak of legal form or subterfuge. Directors or corporations often take actions morally wrong even if within the wording of the law. They also often vote approval of the actions of their subordinate officers and of employees, which they would not countenance themselves. The "wolf" is almost ostracised in financial organizations. To those who do not understand the implications of these methods of "big business," the "wolf's" methods seem *prima facie* treachery. Morally, it is doubtful if they are worse than the methods of those who hate and fear him.

Perhaps part of the present day prejudice of many "radicals" against property rights in "unearned increment," grows out of an unconscious aversion to placing the management of capital in the hands of persons likely to utilize it, as do the managers of great corporations, for the aggrandizement of their business, rather than for the benefit of the world. Those who feel such prejudice, unconsciously have sensed the existence of the situations which justify the "wolf's" refusal to vote.

The purpose of making certain of a permanent income for the future, especially the future of their children, has led American middle class people in abandoning close moral association with their capital, to largely invest in the stocks or bonds of great

manufacturing or transportation corporations, thus entrusting their savings to the professional managers of money and capital. When a middle class person invests in a railroad security, he has no thought of buying any part of a railroad, or sharing any responsibility in its management. He buys only interest or dividends. In thus buying interest or dividends, the middle class, who are great churchgoers, thoughtlessly enter into blind partnership with the great capitalists and the exploiters. The capitalists often regard themselves primarily as trustees of the capital thus put into their care, so they feel bound to "play safe." They dare not let the enterprise under their care lose in prestige, for fear lest they should be called poor managers. They dare not compromise with competition. When a great producer has a strong hold on his market, such as a meat packer has, he tacitly let his customers understand that if any competitor, especially a smaller or a local producer, furnishes any competing product, the customer will have to cease buying from the great packer.

With perfect good faith, every great producing corporation is likely to strive in this way for its own aggrandizement. As the great corporations reach out into the less civilized countries, they feel still more the need of playing safe. Thus in the forefront of the advance of civilization, in such countries, is the selfish exploiter, carrying along with him



for a safety, a soldier. In this way, for security of income the middle class, the church going investors, are sending selfishness and the mailed fist as the representatives of western civilization into economically undeveloped lands. The idealism and the altruism of western civilization are imperfectly represented by the missionary, and this too only in scattered places.

People of the upper and middle classes have become so accustomed to the lack of neighborliness and so dependent on newspapers for their news, that they forget how rapidly and widely news spreads unaided by newspapers or letters. Jane Addams' story,<sup>3</sup> "The Devil Baby at Hull House," is an interesting illustration of such spread of news. Thus it comes about that ranking below the aristocracy of the telephone subscribers, who make up the middle class, there is a class of people who hear and feed on news that the middle class never hear, the news that seldom is printed, the news of labor troubles, the news of dishonesty in high places, of secret deals to protect property and reputations, and of the selfish machinations of rival ambitions within great corporations. Those below the middle class often feel that such news is suppressed in the interest of capitalists, and this feeling of suppression adds immensely to its emotional value as an incentive to revolution. I hope to indicate in a later chapter how the churches may help restore to the middle class their former

touch with life. Without the aid of any touch of realities, reform will have an uphill struggle, for increasingly the middle class people are a salaried people, trained to work in organizations where they are governed by rules, rather than the real understanding of problems. Conscience necessarily becomes atrophied. The ethical function of the middle class has disappeared.

## CHAPTER V

### OUR SOCIAL GROUP HEREDITY

HAVING in the previous chapters briefly reviewed the emotional environments of the workers, and of the managers of business and industry, and of the middle class, we can now profitably take a few pages to review the history of our highly complex social structure, in which these groups play such important parts. It is only by such a historical review that we can select and set in their right perspective those factors which in the future are most likely to prove influential, such as the economic and sociological influences of education, of law, and of ethics.

Karl Pearson<sup>1</sup> years ago was puzzled to find that the color of eyes was more alike in man and wife than it should be in first cousins, according to biological theory. Nowadays we know that a man tends to marry a woman resembling his mother, and a woman tends to marry a man resembling her father. The relative color of eyes in man and wife is no longer a puzzle of science. We must be cautious of making assumptions about heredity. A color-blind man usually will not have color-blind children,<sup>2</sup> nor

will the children of his sons be color-blind, but the sons of his daughters will be color-blind. Color-blindness is rare in women, but it is thus transmitted from man to grandson through the female line. Perhaps many other qualities are inherited in some such complicated ways.

Other factors in economic and social life are unexpectedly and intimately related. It is well known that the number of marriages<sup>3</sup> largely drops off in hard times. The relative values of the sunny and shady sides of streets are reflected in the rents commanded by stores on opposite sides. Perhaps the most important factors are those referred to by Benjamin Kidd,<sup>4</sup> who says that neither the natural law of the jungle, nor the artificial law of the breeding stable, has any relevance to the perfecting of human beings in society. The real source of efficiency and power rests in the formative influence of that vast volume of the social inheritance, the environment of emotions, sentiments, ideals and attitudes of mind, that greets every child as it grows into maturity. "The collective inheritance transmitted through culture is the master principle of the world, and every inborn quality is ultimately subordinate to this social heredity."

"The real center of social power is a psychic one, and lies in the emotion of the ideal; and were we to direct that ideal toward worthy ends, the 'human nature' which has formerly risen like a specter in

all our dreams of Utopias, will terrify us no longer."

We have every reason to believe that primitive man was not free, as we understand freedom.<sup>5</sup> "His life was based on certain strictly prescribed forms, under which the individual grew up to ideas and to ways of life that he never imagined could be otherwise than they were. He lived in a world of restraint, and the system worked; the tribe always held together." His ideas and his ideals seemed to him to be fixed to a degree we cannot comprehend. His language was highly inflected, and rich in moods, tenses, genders, duals, plurals, and prefixes and suffixes of homage, contempt and equality. He very likely had one vocabulary for use toward men and another toward women. His rules for eating and washing were complex beyond the law of Moses as interpreted by the strictest sect of the Pharisees. To all these rules, not recognized by him as rules, or as anything more than customs or as the established order of things—to all these rules and customs of living and speaking, primitive man conformed with the utmost precision, not yet distinguishing between reason, and instinct, and habit.

That eminent naturalist, the late Edward P. Cope, told me he believed that practically all of the so-called primitive races surviving to-day were degenerate, some of them probably extremely degenerate. If this is even a probable surmise we cannot accept as conclusive or even suggestive most of the argu-

ments drawn by sociologists from observations on such races. The fact that such races are often polygamous and polyandrous proves nothing about primitive man. Observations on the habits of animals are more likely to furnish comparisons worthy of credence than are observations on such races. A Marshfield (Massachusetts) breeder of "wild" geese in captivity tells me that the matings of these geese are usually life-long unions, and that they cannot be made to inbreed in mating. The refusal to inbreed is all the more remarkable when it is remembered that geese tend to go in flocks, i.e., groups or tribes. He suggested that the sense of smell was connected with an instinct which resulted in the refusal to inbreed. Perhaps primitive men and women had instincts corresponding to those of the "wild" geese, and these instincts among progressive races were converted into moral customs and laws by their budding intelligence, or by their growing power to transmit ideas to each other, as language and the power of speech developed. On the other hand, retrograde races or groups of men were very likely those who allowed perverted intelligence to destroy those instincts which have survived in the more intelligent animals and in progressive men. Thus physical and social degeneracy grew out of retrograde intelligence.

We, who have grown up in civilized countries, must therefore always keep in mind that ideals,

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ethics, morality and religion have a foundation in the nature of man far deeper than they have in the social and economic structure of the nations where we live. Among those wild tribes who are yet unaware that both sexes play a part in the propagation of the race, there are families with a true family life, but they have no logical basis for morality, as we understand it, in its narrower sense. To them the discovery of the fact that a child is a child of the father as well as of the mother is revolutionary. It introduces the conception of the duties of fatherhood. To the primitive man it seems to explain parental love. It opens the way for a utilitarian and a logical basis of personal morality. It results in reckoning kinship through the father as well as the mother; it tends to make the patriarchal form of clan replace the matriarchal form,<sup>5</sup> and if patriarchal clans already existed, it tends to make reasoned relationship, rather than natural altruistic instincts, their basis. So men had ethical ideas and religion, before they knew that they were the children of their fathers, as well as children of their mothers. We have every reason to believe that as children they grew up in a tribal environment of traditions, of fairy tales, and of idealism, rather than one of materialism.

It is said by many sociologists that civilization first arose in oases in the deserts, where life was valuable, and property was valuable; where reasoned

foresight first became a material asset. As children, many of us have doubtless read how monkeys cross a stream too broad to leap across. One monkey selects a strong branch of a tree and hangs down from it. A second climbs down over the first and hangs to him, a third climbs down over both and hangs from the second, and so on, until the chain of monkeys is long enough to reach across the stream. Then the lowest monkey swinging like a child in a swing, swings the chain back and forth, further and further, until he can seize a branch of the opposite side. Then the first monkey lets go, and all are across the stream. With hands and intelligence, and the power of speech, primitive man in oases was faced from time to time with crises which broke up his fixity of thought, and although he may have had no streams to cross as do the monkeys, the problems he had would equally call for group co-operation, as in the procuring of food. In procuring food, primitive man was certainly as altruistic as are the birds and beasts who feed their young. Perhaps it was food which first became a group or tribal, rather than an individual objective. The coming of a crisis with its new conditions brought opportunity to the man or woman willing to break the rule of fixity.

James Bryce points out that great men arise in the most unexpected places at the most unexpected times — especially when the whole world seems



turned upside down. He says they come in cycles. He calls attention to the fact that about 1790, three of the greatest intellects the world has ever seen appeared upon the stage of history, and played the most remarkable parts,—Alexander Hamilton, Napoleon Bonaparte, and Thorwaldsen, the sculptor. It was not local environment which made them great, for they were born on inconspicuous islands almost at the corners of civilization; Bonaparte in Corsica; Hamilton in the West Indies; and Thorwaldsen off the coast of Denmark. Like other great leaders, Bonaparte found generals able and ready to carry out his plans skillfully, and apply his methods of warfare. These men were products of the mental and spiritual environment which greeted them at their birth. In a world turned upside down mentally and spiritually, those faculties became alive and powerful which had been dormant in their ancestors or in similar men of other ages. War produces an environment which to many people is one that passeth understanding, but to others is an awakening into life. It is not the fighting that does the awakening, but the turmoil of ideas and ideals; the shaking of the very foundations of the conditions of physical life; the destruction of the basis on which ideas of ethical values have rested, and the formulation of new bases for ideas and ideals.

War has not been the only factor which has shaken the foundations of customs and ideals, After the

great rise of art and literature in Greece, and Palestine, and Egypt, the "terribly efficient wealth of Rome" organized a league between law and property,<sup>6</sup> making diplomacy and military power its allies, and built up a single state out of the whole of the known world, by playing off one unstable kingdom against another. The governments of these kingdoms became, to a large extent, only channels to supply Rome and the lesser capitals with gladiatorial shows and extravagant licentious pleasures. But Christianity appeared and stabilized the ideals of men, building up out of the religious and semi-religious folklore of the common people, a collective social inheritance of emotions, sentiments, ideals and attitudes of mind that greeted every child as it grew into maturity. Even though its foundations were often largely drawn from pagan origins, the influence was Christian on the whole. Although all books were written by hand, and were too expensive to be very common, this collective ideal inheritance was relatively stable. The centralized government of the Church stood in the minds of most people for an expression on earth of the highest ethical and religious idealism they could understand. Even after the invention of printing and the coming of the age of adventure, the same ideas and ideals made up the inheritance which greeted the child, for in many countries the first printed book was the Bible. The institutions of learning were pri-

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marily religious, or for the purpose of training religious leaders. Moreover, the colonies planted in the New World were often primarily religious enterprises. The wars even were fought along lines determined by religion.

The originality of the invention of printing from types is not generally appreciated. It was really a marvelous conception to believe that individual types could be made in large numbers, nearly enough alike in size to enable sheets of paper to be pressed upon the inked types by a press with sufficient evenness to enable every type to produce a clear, unblurred character on the paper. This was an invention not matched in breadth of application until Eli Whitney began the manufacture of articles by making each part of the article fit precisely the corresponding part in a standard copy of the article which was adopted as the basis of production. Whitney's system is called the manufacture of interchangeable parts. Previous to<sup>7</sup> Whitney's time, the screws, for example, were cut by hand, the smaller by filing, the larger by chipping and filing. There was an utter want of uniformity. No system was observed as to "pitch," i.e., the number of threads to the inch, nor was any rule followed as to the form of those threads. Every bolt and nut was a sort of specialty in itself, and neither owned nor admitted of any community with its neighbors. All bolts and their corresponding nuts had to be marked as be-

longing to each other. Nowadays, on the other hand, if we have a sewing machine, we go out and buy a standard, interchangeable needle, confident that it will fit the standard sewing machine we may have at home. If it had not been for some system of interchangeable parts, such as Whitney introduced, interchangeable needles would have been impossible, and so with the thousands of other articles we buy.

Printing made books cheap, enabled the spreading of learning, of idealism, and of science; and created a storehouse of wisdom and knowledge of the past, from which any one can draw largely at the expenditure of a fraction of a day's pay of an unskilled laborer.

In England the introduction of printing from types was soon followed by the breaking up of the monasteries under Henry VIII. These two events, combined with peace on the Scottish border and peace abroad, brought in an era of prosperity, and an opening of new fields of adventure, so that the New World began to be explored. The standard of living began to rise from the level to which it had sunk after the Romans abandoned England. Houses began to have chimneys; glass began to be used in windows; carpets took the place of rushes; silk and velvet began to be common among the wealthy; new industries were introduced; weaving and spinning became true industries, guild industries, instead of

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crude household arts. The art of knitting irregular forms, such as feet for stockings, was discovered. Commerce was developed. It was in the reign of Elizabeth, when luxury in food and clothes was becoming common, that the English poor law was drafted, and which, bad as it was, was such an improvement over the past that it stood substantially unchanged till after 1830. The breaking down of the church monopoly of learning, by the closing of the monasteries, had its bad side, in hampering education, yet on the other hand there arose a belief in the worth of the individual man and woman, which was nourished by the revision and general circulation of the Bible under King James. This belief in individual worth culminated in the movement which produced the enormous number of new sects springing up from that time on, and publishing an immense literature during the time of the Commonwealth.

The age of adventure, beginning with the invention of printing, culminated in science with Harvey, who discovered the circulation of the blood, and in literature with Shakespere and Milton. But then progress ceased. The Thirty Years' War and the Cromwellian Great Rebellion wiped out progress, killing off men, starving nations, destroying ideals and morals.

Whole cities are known to have lost two-thirds of their population in the Thirty Years' War. Travelers' accounts tell us that whole provinces were so

abandoned that it was possible to find one's way across the tractless wastes only by the ruins of abandoned houses. Central Europe was fought over until it was as desolate as Serbia or Northern France is to-day. Cromwell deported thousands of Irish men, women, and children, and settled on their land a great English population.

It was the great circulation of the Bible, after the revision in 1611, which brought about the religious awakening accompanying the Thirty Years' War and the Great Rebellion in England, that saved the end of that century from crude materialism and moral stagnation; giving rise to the religious enterprise that colonized Plymouth, and Rhode Island, and New Jersey, and Pennsylvania.

The international and social situation to-day presents an analogy interestingly close to the situation just before the period named the Restoration Period in English history. Cromwell was to England in many ways what Bismarck became to Germany.

In 1660 the English-speaking world was too exhausted to profit by such men as Sir Isaac Newton, who then began his work. Material progress had ceased at this time. Roads did not improve until Telford and Macadam introduced their stone roads in England about the time Whitney was making his inventions in America. Almost the sole contribution to progress which arose at this time and has survived apart from Newton, was the religious re-

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vival which grew out of the doctrine of the worth of the individual man and woman and which first became known as Quakerism. Though newspapers first began to be published in 1660, it was not until 1840 that postal service was cheap enough to make them an important factor in the diffusing of knowledge.

In the age of adventure, group enterprise was common in exploration, for it was only by gathering groups of men, willing to embark together on a ship, and, if need be, live in a colony,—it was only by thus gathering a group that an adventure could be carried out. It was not, however, until about 1750 that groups of men began to be gathered into organized industrial enterprises, with careful subdivision of labor for quantity production. Then it was that spinning machinery and looms began to be brought together into factories to produce cloth, and that clocks and other machines and devices began to be built in factories. An enormous impetus to quantity production was furnished shortly after this by the introduction of the steam engine; and, in the cotton manufacture, further impetus was given by Whitney's cotton gin.

Formerly the principal economic groups within the nation had been church groups,—the economic church group often centering around a monastery. After the breaking up of the monasteries the economic groups under Henry VIII were in many cases

guilds, which developed out of the prosperous new industries organized by the artizans whose immigration Henry VIII encouraged. The churches, when they ceased to be the centers of economic groups, kept to their beaten, social and theological paths during the industrial revolution—during the growth of large scale production—but economics and science struck out in new paths. Owners of capital were organized into groups, and workers began to be brought together in groups which were wholly out of touch with the owners of the capital which paid for the machines they used.<sup>8</sup>

The industrial revolution in America and France was profoundly influenced by the political turmoils and revolutions which accompanied it—factors which were more remote in England, and so somewhat different in their influence there. In the period between 1750 and 1830 in England the distribution of population changed radically. The cities, which often had been little more than market towns, in some cases grew to the size of the modern smaller cities. The coming of the factories, first where there was water power, and later where there was coal, had drawn from the agricultural districts hundreds of thousands of workers and their families. The system of poor law relief tended to aggravate instead of cure poverty until the almshouses were said to contain one-tenth of the population, and distress was worse outside of these. The whole govern-



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mental system failed to alleviate the suffering growing out of new conditions. What educational system existed was suited only to a widely distributed population. Parliament failed to represent the country. Many parliamentary election districts had only a handful of voters (in a few cases only two or three); other districts, especially those typical of the manufacturing interests, were practically without representation. A tariff on wheat kept the cost of food high. The theory and the practice of sanitation were both unknown, and child labor was largely depended on.

The semi-feudal character of English country and agricultural life had kept a certain sort of idealism of civilization alive even among the poor agricultural laborers. There was a moral bond of varying strength between the lord of the manor and his tenant farmers and their laborers. For a good part of the year the owner of the land lived on it, and administered at least rude justice, judging in the petty quarrels and lawsuits and crimes of his neighborhood. The culture of the wealthy left its trace on all who came in contact with it. Through personal contact at birthday and other festivities, the people who lived on the land, and the owners of it, came to know the reality of their mutual financial responsibilities, and something of a moral responsibility to each other. No matter how arbitrary and unfair he was, the capitalist landlord was a human reality, and

not a mere abstraction like the stockholders' rights in a modern corporation. He was at least better than the factory owner, who neither knew nor cared to know how his workers and their families lived.

Several factors greatly modified the effects of the industrial revolution in America. In England an agricultural laborer often saw in removal to a mill town his sole hope of betterment, so the population of the English mill towns included a large proportion of every type of the restless or the enterprising members of the laboring class. In America the frontier was always near at hand, and drew large numbers of those who otherwise would have crowded to the factory towns. Moreover, the great cost of transporting coal in America led to a greater dependence of mills upon water power, with the result that the smaller, more easily developed water powers became the sites of manufacturing; consequently the mill towns were smaller than in England, and more scattered. To be sure, some steampower factories burned wood, but these were necessarily small and scattered factories, since a large factory, or a large number of small factories clustered together, would exhaust any wood supply near enough to be hauled economically.

The industrial revolution had its profoundest effect through the textile industry, for it took the loom and the spinning wheel out of the homes, thus fundamentally altering family life by depriv-

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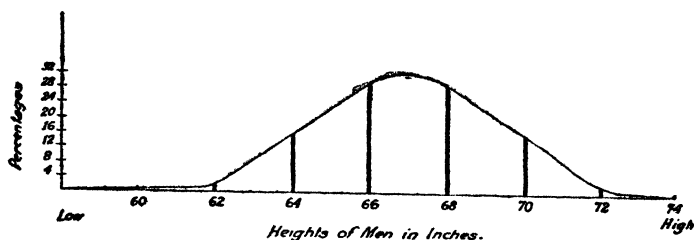
ing the children and women of their principal source of earning, and cut off the occupations, through which children had learned industry at home. The cutting off of the income, formerly received by agricultural families from spinning and weaving, forced many of them to seek a livelihood in the mill towns, especially in England. In America, where land was still cheap near at hand, the influence on family life was less disastrous, for the women and children turned to farm and garden work at home, while the men sought more remunerative labor. In the metal industries, except for its influence on home life, the effect was equally profound, and even more so, for, by operating a power hammer, or tending a blast furnace receiving air from a power driven source, one man could do relatively even more work than by working in a textile mill. In America, with its widely scattered population, the difficulties in transporting metals and machinery were almost insuperable, with the result that metal industries sprang up where even small bodies of ore, by their convenience to power, offered opportunity, rather than around the coal mines as in England's "black district." Fuel in the form of wood and charcoal was everywhere obtainable from the adjacent frontier for small industrial enterprises. Sometimes even the presence of a bed of fire clay suitable for furnace linings was, in America, a controlling factor in establishing a blast furnace.

Poverty and suffering existed in America, but, instead of growing out of industry, they were such as are always incident to frontier life, and were probably not vastly increased by the industrial revolution as happened in England.

The industrial revolution had a fair start from southern Virginia to Maine, in America, but its greatest effect was in New England, where small water-powers every few miles made industrial opportunity almost omnipresent. It is believed that a greater number of factories and other industrial enterprises existed in the United States,<sup>9</sup> in proportion to the population in 1840, than in any earlier or later year. It has been estimated that in 1840, in the United States, the number of cotton mills and iron furnaces was greater than it has been at any time since then. In 1840, therefore, the tendency to consolidate had begun to overtake the initiative which always tended to start new enterprises. America was therefore profoundly influenced both materially and psychologically by the nearness of the frontier, the long distances between settlements and resulting almost prohibitive cost of transportation, and the local industrial opportunities growing out of these conditions, and out of easily available water-power.

Up to about 1850, there seems to have been little tendency in America for the factory "hands" to be regarded as a distinct and lower social class.<sup>10</sup> In

tions. In order to understand how the heights or statures of people vary, the accompanying chart, Figure 1, has been drawn showing the variations in the heights of men.<sup>15</sup> Heights are shown as measured off along the horizontal line from 60 to 74 inches (that is, from five feet to six feet two), and the percentage of men of each height is measured verti-



*Figure 1*

cally. It is obvious that there are more men 67 inches high than any other height. The rounded off curved line joining the tops of these percentages is called the "frequency curve" of stature. There are a great many "frequency curves," but it is a curious fact that very many of them look very much like this curve, i.e., like a slice through the center of a hill rounded off evenly to a valley on each side. The broadest part is made up of the people who may be called middle class in height.

The people among whom we live are often those whose occupation is the same as our own. Before looking at the "frequency curve" of potential brain

power of men as a whole, it will be interesting to estimate the typical potential brain power of people in various occupations. The Surgeon General of the United States Army made an investigation of this among the drafted men in 1918.<sup>12</sup> To do this he utilized the so-called Binet and modified Binet tests. These tests attempt to "size up" the brain power of a person, irrespective of education.<sup>13</sup> For example, children under the age of five seldom can learn to tell time on a clock, but practically all normal children can learn to before they are over the age of six. There are other analogous problems or tests which children of five to six can do, but which they cannot do if they are younger. For example, a normal child of five can name the four primary colors, even if never taught them. It is found that some grown people are so deficient in mental power that, although they can dress themselves and do many kinds of every-day work, they can never learn to tell time on the clock or do these other five-year-old tests. Such people are said to have a "mental age" of under five; that is, they have the potential brain power of a child under five. Similar tests have been devised for other ages. For example, the normal child of eleven can detect absurdities in sentences; can define three out of the five abstract words "pity, revenge, charity, justice, envy"; can repeat backwardly five digits given orally; can interpret fables; etc., etc.

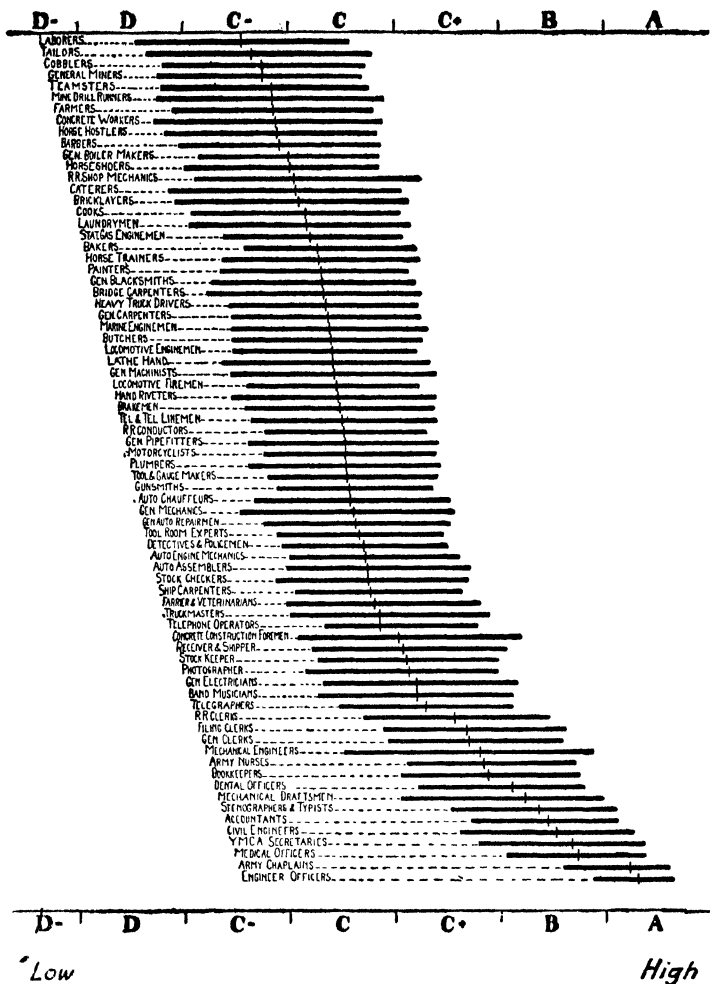
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In order to find out what was typical of men in various occupations, the Surgeon General divided the mental age of many thousands of drafted men according to the occupations of the men. He thought the "average" would be misleading, so instead of finding the average, he omitted from each occupation one-quarter of the men having the lowest mental age, or lowest brain power, and he also omitted another quarter of the men, those having the highest brain power. The men who remained were the middle half. The heavy black line opposite any occupation in the accompanying chart.<sup>14</sup> Figure 2, shows the range of potential brain power of the middle half of the men in that occupation. The small black cross line shows whether the middle man of this middle half (median man) counting from the bottom, stood above or below the middle point in mental age, in fact it shows exactly where he stood.

Instead of using "mental ages" to name the grades of brain power, the Surgeon General divided the men into seven grades as follows:<sup>15</sup>

A. *Very Superior Intelligence*. This grade is ordinarily reached by only four or five per cent of a draft quota. It is composed of men of marked intellectuality, who have the ability to make a superior record in college or university.

B. *Superior Intelligence*. Less exceptional than that represented by "A," and is obtained by eight



Brain Power of Men in Different Occupations

Figure 2



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to ten per cent of the draft. Men of this grade are capable of making an average record in college.

C+. *High Average Intelligence.* This group includes about fifteen to eighteen per cent of the draft. These men cannot do so well as "B" men, but the group contains some men who have leadership and power to command.

C. *Average Intelligence.* Includes about twenty-five per cent of the drafted men. These men are rarely capable of graduating from a high school. They are of the grade that make "excellent privates" in the army. Their "mental age" may be put at about fourteen.

C—. *Low Average Intelligence.* These men make up about twenty per cent of the draft, and are satisfactory in work of routine nature. They are distinctly of lower intelligence than the "C" group, but their mental age is probably not below twelve.

D. *Inferior Intelligence.* Includes about fifteen per cent of the draft. They are slow in learning, and rarely suited for tasks which require special skill, resourcefulness, or sustained alertness. It is unsafe to expect these, or those of grades "D—" and "E," to read intelligently or understand written directions.

D— and E. *Very Inferior Intelligence.* The majority of these men are below ten years in "mental age,"—some were discovered with a mental age

as low as two or three when being passed upon for sending to France in 1918.

It will be seen, in Figure 2, that potential brain power from "D—," etc., up to "A" is measured off horizontally just as heights of men are measured in Figure 1.

We get the "frequency curve" of brain power by laying off the percentage of "E," "D—," etc. vertically (see Figure 3) and connecting the tops of

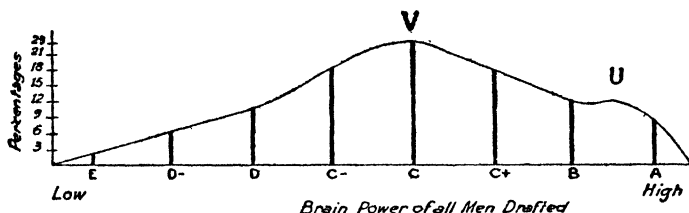


Figure 3

the vertical percentage lines by a rounded-off curved line. It will be seen that there is a hump in Figure 3 at the point marked "U." This is called a "mode," and because there is a larger hump at "V," the hump "U" is called a secondary mode.<sup>16</sup> Whenever a mathematician sees a "secondary mode" in a "frequency curve," he at once knows that there is something in the facts which demands careful investigation. It would take almost endless mathematical argument to discuss all the possible reasons for the existence of the secondary mode "U" of Figure 3. I will suggest only one or two possible reasons.

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An analysis of the 1917 income tax returns<sup>17</sup> shows that about one million eight hundred thousand families have incomes of two thousand dollars or over; about eleven million eight hundred thousand families have incomes between one and two thousand dollars; and the remaining ten million families have incomes of less than a thousand dollars; probably several million families have incomes of less than five hundred dollars. This gives a total income of thirty-one billion dollars, or about fourteen hundred dollars per family as the average of all. To these incomes must be added the farm and garden produce raised and consumed at home, as well as the rental value of land owned. Moreover, something must be added to allow for the income received by owners of government, state, and other securities which were exempted by law.

These two items of rental and exempted values would probably bring the average family income to over fifteen hundred dollars, perhaps over sixteen hundred dollars. It is worth noting that this is just about the amount \$1650<sup>18</sup> reported by various investigators as the minimum income to efficiently maintain a family of five. It is also worth repeating that nearly half of the families in the United States have incomes of less than a thousand dollars, and that perhaps nearly a quarter must have incomes of less than five hundred dollars.

Millions of children do not have a fair chance in

life. Not only are the children of the city slums often underfed, but also the children of the rich are often poorly nourished. In their highly artificial life, the rich fail to provide the right kind of food, with the result that one doctor has said, "relatively more cases of scurvy are found among the little children of the wealthy than anywhere else. They don't get proper food."

Bad as are the widely reported conditions in city slums, the conditions of the poorer rural children are far worse. Their homes are little better than modern survivals of the homes of the peasants of the middle ages, except that they have chimneys. The physical examinations of the drafted men for the army showed the result of this.<sup>19</sup> In the South the children run barefooted and become infected with hook-worm, which keeps them anemic and starves their brains. In a large part of the country the children grow up on a diet consisting largely of corn, and deficient in greens, such as cabbage, spinach, or beet tops; thus they are constantly threatened with pellagra, and the accompanying nerve exhaustion and insanity. In many country districts the children grow up without toys, or knowing games, or the meaning of play. Except that their parents can sometimes get to a store and buy or "trade in" some luxuries, or "store clothes," or machine-made hoes and tools,—except for these things, civilization means less to such children than did the

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tribal community life of semi-civilized man. The children learn nothing of the traditions of the race, its history of struggle, its idealism, and its conventional life.

One phase of such rural conditions in the South has been set forth in "The Child that Toileth Not."<sup>20</sup> A recent government survey of a western rural district says that less than half of the homes had even the crudest kind of drainage system.<sup>21</sup> Almost a quarter of the homes lacked even that crudest toilet equipment—a privy. Teachers who have worked in such rural districts have told me they always endeavored to get the families to move into towns. Even if the family went to a mill town and the children worked in the mills instead of attending schools, the town gave the child some opportunity, some hope in life; there the child was in touch with civilization.

It seems agreed that in children brought up under bad conditions the brain is undernourished, and that the mind seriously suffers. Perhaps the mind needs exercise as much as the muscles do if development is to be normal. The University of Pennsylvania's Psychological Clinic for Children suspected of being mentally defective, is said to have found that more than ninety per cent of the children brought to it regained a normal development if placed in proper care. Observers of orphanage children have stated that nearly half of the children in

large orphanages are seriously defective in brain power, and that the older children are more affected than the others.<sup>22</sup> Children need the therapeutic power of love in a family home, even if the home has to be supervised by regular visits of a doctor and a visiting nurse. Their minds need the health-

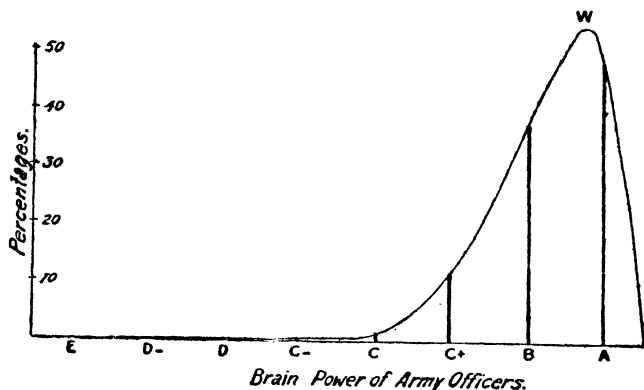


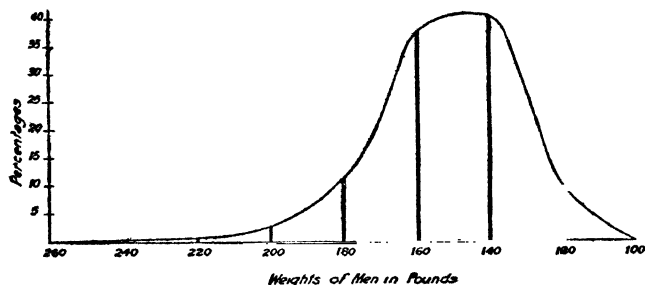
Figure 4

giving exercise that grows out of a normal family life.

It may be that the children who do not get a fair chance in life are in the majority. If so, it is not impossible that the curve of potential brain power of Figure 3 shows a mode at "U" only because the brains of the men have been underfed and undeveloped. Perhaps if the men had been well cared for when children, there would have been so many of superior intelligence that the only mode

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would have been a very high one at "U." This might go so far as to produce a curve something like Figure 4;<sup>23</sup> which shows the percentage of army officers having each grade of potential brain power. The rounded-off "frequency curve" connects the tops of the vertical lines of percentages. This Figure 4 curve has only one mode at "W," about above where the mode "U" of Figure 3 would come if very large. A mathematician would say that a



*Figure 5*

curve of this shape is by no means impossible, as appears from the fact that the curve of men's weights measured in pounds and shown in Figure 5,<sup>24</sup> is very much the same shape, i.e., like a slice through a hill which is much steeper on one slope than the other, thus bringing the middle class much nearer the steeper end. In this Figure 5 curve the weights of men beginning with the very heavy are laid off horizontally and the percentage lines are measured vertically. The rounded-off line joining

the tops of the vertical lines gives the "frequency curve." We know of no reason why the "frequency curve" of brain power should not be more like the "frequency curve" of weights than the "frequency curve" of heights.

In the past those who by nature were in the very superior brain power class (A), often did not realize that they had great ability. Education was not so nearly universal, and they never reached the point that Sir Isaac Newton did when a little extra education after the age of twelve first revealed his extraordinary brain power. Ready-made, humdrum, factory organizations apparently are unconsciously designed to utilize to the best advantage those who are good at routine work,—the low average class (C—) brain power of the Surgeon-General. Compelling educated men and women of the very superior class (A) brain power to fit into such an organization is like attempting to force a well developed man of six feet four to wear ready-made clothes designed for a medium-sized man of five feet seven. The big man is sure to burst some buttons and shock the sense of propriety of the people of the community.

If it so happened a generation ago that a factory employed several thousand hands, all of the middle class or average brain power (C) group, it is, biologically speaking, mathematically certain that in the present generation a number of the children of



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those "hands" are of the very superior (A) group—perhaps more than the four or five per cent called for by the results of the Surgeon-General. This arises from the fact that both extremes tend to die off and are continually recruited from the descendants of the middle class.<sup>25</sup> Some of these superior (A) children might become great men and women if they could show what was in them. The fundamental idea of democracy is that every one ought to have a chance to show what is in him. And the striking fact is that we cannot find out who the really great men are unless we give every man a chance.

Progress in America in the last few years has been along lines far removed from improving such conditions among the poorer classes. Until within a decade, part of the social heredity of an American workingman, even if a day laborer, was a diet including meat one or more times every day. In contrast was the European laborer, to whose family meat was a luxury, to be had in prosperous times perhaps thrice a week. In 1918 when asked, "How much more does it cost you to live now than it did before the war?" a member of a mothers' club at a New York day nursery, earning perhaps half the income of her family, replied, "How can I tell Mrs. —? I haven't any more money, and so I just goes without. I used to have a pot roast of a Sunday sometimes, but now my man and I and my

children never has meat." Such families have to do without any daily newspaper, perhaps without any bought literature at all. Such women usually have no ovens, doing all their cooking by boiling or frying. Such women make up the majority of those registered at the day nurseries in New York City, and represent the conditions of many thousands more. It is such conditions that now face both immigrants and the economically handicapped American families. No longer is it part of the social heredity of the American families to live on the frontier and have fuel at the door costing them only the labor of cutting it; no longer is it part of the social heredity of American families to have stoves and fuel so cheap that all can have a good oven, even if the stove is old and broken.

American life in the nineteenth century had many of the characteristics that we are accustomed to associate with the heroic barbarian. It had the same insecurity—insecurity of life on the border, insecurity of fortune where life was safe. It had the same frequency of hazardous toil against wild nature; the same accompaniments of cold and privation; the same vast and shadowy enterprises, usually collapsing; the same ardor of emotional experience in the spiritual realm. And always education mitigated extravagance, restrained excess, directed effort.

About 1900 an expert cooper, who had grown up in Maine, said to me, "The country ain't what it

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used to be. When I was a boy twenty years ago, a man could take a horse and cart, drive back into the woods and camp by a lake and catch a wagon-load of fish in a couple of days, and then come back to town and peddle it out. They don't allow an honest man to make his winter's living that way now. They have a law on fishing which saves all the fishing for men who are willing to pay for a chance to loaf and fish."

This story tells of one opportunity which has been cut off from America. In the manufacture of certain kinds of articles, especially small hardware, it was the custom for the management of a factory to make contracts with foremen or expert workmen for producing the article by the gross, hundred, etc. The men usually put in competitive bids for the contracts which were let out on a basis of labor cost, the factory furnishing the tools, power, material, floor space, etc. This system developed initiative, and soon showed what foremen were the best handlers of their help, for usually the man who got the contract hired others to help him, thus forming a crew which took an active interest in the work. An analogous system was developed in some shipyards during the Great War among riveting crews. The management posted and published scores, and there was active competition among the crews for the upper positions on the list. With the great development of automatic machines, most of this contract

system and "crew" production necessarily has disappeared, thus restricting the field of initiative. Even more depressing in its effect on initiative is the semi-automatic method of machine work, in which jigs are used both in positioning tools like drills for cutting castings, and for holding parts during assembling. Such jigs eliminate all need for skill, with the result that the lowest grade of unskilled labor does most of the machine work. I am told that in one adding machine factory the girls who do all the assembling are allowed no tools except a jig, a screw-driver, and a spanner (for putting on and tightening nuts and bolts). Parts delivered to them which do not fit are rejected.

I cannot believe that present day institutions can be declared useless, or that "a larger life is denied the men because the modern machine-made civilization is incurably vicious," or that "the machine is the enemy of mankind." It is the administration of industrial and political life which is so defective in developing potential brain power that "some of the highest records (reached in testing the brain power of the drafted army men) have been made by men who had not completed the eighth grade" of school.<sup>26</sup> Such men are the "mute inglorious Miltons" of poetry, the undiscovered Isaac Newtons of mathematics, and the Leonardo da Vincis of science and art, who have their lights hidden under a bushel.

Power driven machines and the railroads have

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made modern cities possible, so that even the poorest city dweller walks upon a paved street lighted at night, and has hospitals and doctors free, even if at some inconvenience. Even in the slums unpolluted water is almost free, and milk may be free for the babies, if needed. Modern tenement house inspection make impossible the five or six-story breeders of disease and crime, which defaced the environs of palaces from the times of ancient Rome until a generation ago, and in many small towns still do so. Education is free, and fairly good in most cities, even for the very poor. Those who are mentally unfortunate are removed from the surroundings of poverty which their presence would only aggravate.

Practically all the iron that is mined is made into machines and tools or other structures that represent capital, by which we may get a better living. If we get some idea of how fast the amount of iron used is increasing, we can understand how other minerals and metals are increasing the utilized capital of the world, for such substances as iron, copper, lead, and Portland cement all are largely put into the capital equipment of the world. In 1800 the world produced 825,000 tons of iron; in 1870, 11,900,000 tons; in 1905, 53,700,000 tons; in 1911, 135,150,000 tons. Tufts, who gives these figures,<sup>27</sup> estimates that iron production has increased fifteen to twenty times as fast as population. Al-

though some of this iron and other capital is consumed in replacing wornout iron—wornout capital, like wornout railroad rails—still a very large part represents increase of capital utilizable for the advance of civilization. Thus capital is the prime characteristic of the present age.

Even so materialistic a philosopher or biologist as Karl Pearson is commonly accounted to be, would be willing to admit the perils facing an age so disdainful of tradition and idealism and so dependent on capital, and devoted to efficiency as is the present. He says,<sup>28</sup> "I think the relatively quick development of the Greek and Roman civilizations is to be largely attributed to the tradition of acquired modifications. With an alteration of environment the tradition was not maintained and those civilizations collapsed. The individual Greek of Pericles' date or the Roman of the Augustan age were widely different types from those of surrounding races. They were the product of tradition not of [biological] inheritance, and they disappeared with the loss of tradition rather than by ruthless extermination."

## CHAPTER VI

### IDEAS, ETHICS AND INSTITUTIONALISM

THE solution of the labor problem is often said to lie in the preservation and perfecting of American institutions. Those who say this fail to make clear what they mean by institutions. The government and the institutions of any nation are supposed to be the visible embodiment of the ideas, ideals, and attitudes of mind of its people. It has been said that politics is or should be applied ethics. But when we speak of ideas and institutions we forget how varied and complex are the forms that thought and ideas take, and how far institutions fall short of the ideal.

Once on leaving a theater after seeing one of the most perfect performances ever staged, one of our party said, "My throat is so tired that I can't talk. Wasn't the acting wonderful?" In answer to an exclamatory query the reply was, "Oh, if I want to understand anything I have to say it over to myself. This was so perfect I had to say over every word of it." A successful magazine editor once said, "I am a very slow reader. If I want to really under-

stand anything I must either hear it or imagine I hear it read aloud."

Such people are often extremely slow thinkers, apparently always embodying their ideas in words. It is commonly assumed that ideas are necessarily associated with words, and this is true to the extent that they must be so embodied for mankind to progress. It is only when ideals and ideas are put into words that they can be used to help others. A child can inherit the ideas and ideals of the past only so far as they are embodied in words, in language, and form part of his social environment.

There are some people, however, like myself, to whom words are utterly inadequate vehicles for expressing ideas. It is not because I am either an artist or a musician. I cannot conceive how any one can interpret the notes of written or printed music into harmonious sounds, nor can I recall a picture in the "eye of my mind," and in memory enjoy its details. Apparently I think in terms of doing. I think in muscle movements. I am like an excellent writer of descriptions of machines for applications for patents. He says, "When I am trying to write the description of a machine like a typewriter, I think of myself as riding on the carriage, or as sitting on and swinging with a type-bar, the latter especially when describing the printing."

Once when reviewing a very interesting book on religious ideals, an attentive listener said, "That is



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a most wonderful book—is it light or heavy? Please let me take hold of it and feel its pages, so I can really remember it.”

In these incidents we see that different types of people cast their thoughts in different molds. They have different methods of thought or avenues of approach to their brains, and therefore to their souls, since the latter touch the outside world through the brain. There seems to be no connection between genius or ability and the method or the speed of thought. At least one of the greatest scholars of America was an extremely slow reader, while an equally brilliant one in England is an exceedingly rapid reader. Some able inventors are rapid thinkers, but others seem painfully slow in thinking.

Most psychologists seem to agree that no abstract idea can be conceived of apart from some sort of environment or some other “particulars,” such as a particular instance. They say it is impossible for a person to think merely of “red” as a color. Every one, so they say, when thinking of red, thinks of something which is red, or else of a patch of red, having a clearly outlined shape, and usually of a defined size. In the same way they say, no one can conceive of man in the abstract. At least we always think of “man” as part of a context, for example, as part of a proposition like “Man is a paragon among animals.”

While it is true that some psychologists do not

wholly agree with these beliefs of their fellow psychologists, all are agreed that in every-day life purely abstract concepts are seldom thought of. For ordinary purposes ideas must have hands and feet. They must live and walk upon the earth.

It is natural therefore that in thinking of abstract ideas men should usually think of the men, or the situations, or the group environments, out of which the ideas grow, or about which they center. Men turn to fellowship as the compass needle turns to the pole; and they form themselves into groups and societies and communities of various kinds, religious, cultural, social, economic. We have churches, the bank clearing house, the medical association, the trade union; and wheresoever there is an interest strong enough to form a nucleus, we will find men gathering around it in an association. Any one knows how boys like to fall in behind or beside a parade; a girl is grievously disappointed if she is left out of a dancing class her friends belong to.

Now ethics is defined as the art of conduct and especially as the art of good conduct. Ethics is not any single thing or any group of things that we see or hear or touch, but we must talk of ethics in terms of things, and the way men touch, or see, or move them, or hear them moving. Ethics is not strictly a science for it deals not with things but with acts, and instead of dealing with the mathematical values and relationships of experimental facts, it deals with

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the moral values of acts. Ethics does not deal with simple isolated acts, because the mere moving of my arm is neither ethical nor unethical. If, however, by moving my arm I seize another man's pocket book, or maim him, my act is unethical, unless indeed I make it ethical because I thereby save him from losing his pocket book, or cut off a blood poisoned limb to save his life. Ethics then deals only with the relationship, the moral relationship, of one act to a group of acts. In Christian countries, ethical ideas normally center about such institutions as the Christian churches and the Bible. In Moham-medan countries, ethical ideas center about the preservation of the Koran. In a country of ancestor worship like China, ethical ideas center about the family burial place. Men live in groups, especially in groups of families, as villages, states, nations. So ethical ideas center around groups of men. Patriotism has been defined as the sense of solidarity of a social group.

No matter how serious the internal quarrels of a group may be, the members of a group usually take pride in their own group as against all outsiders, whether the group be merely man and wife, or a whole family, or a village, or a nation, or even if it be a group on a wholly different basis, as a "team" for playing games, or a factory production group. So strong is the emotion of group solidarity opposed

to attacks from within for the benefit of outsiders, that "there is honor even among thieves."

The stool-pigeon of the police commands the respect of no one. Each member of a group feels an instinctive pride in the success of anything which seems to stand for the group, no matter how illogical the situation may be. Almost every one knows that the National and American League baseball teams, representing the clubs of the various cities, are made up of professional players hired from anywhere by the club owners for private gain. Although he sees the utter absurdity of being interested, the average business man thoroughly enjoys going to a professional ball game and "rooting" for the team from the club of his home city.

Every member of a group looks for a leader, or a symbol of solidarity. The ability to arouse a great nation to aggressive and long continued war largely depends on the fact that the uniform of the soldier is an easily understood badge of the solidarity of the nation. The glamor which hangs around a king comes largely from his being a concrete center of the national solidarity, and at least nominally a leader.

People who compose a group have an instinctive desire that every one following the leader shall match the group pattern. As one conscientious objector to war said, "I was one of sixty-odd drafted men who came to the camp. None of us wanted the

war or wanted to be in the army. All the others finally put on the uniform and drilled. I didn't. One evening a bunch of them came to where I was and forcibly took off my civilian clothes and put a uniform on me. When they had done that they didn't seem satisfied, but they didn't have any plans; hadn't had any to put the uniform on me; so they did nothing more. I was just an albino sparrow in the flock and they plucked off my feathers."

Sometimes two impulses binding the group are merged, as happens where a member of a community is charged with a crime. A mob sees in the charge of crime an intangible badge of fellowship, and seeks to lynch the accused because the existence of a supposed criminal destroys what solidarity of goodness or safety seemed to exist in the community.

A man who senses the ethical or religious undercurrents of his time and formulates these into a message or a proclamation to the world is called a prophet. When a group of people find in the words of the prophet a motive binding them together and causing them to consciously coöperate for constructive work, the group activity is called a movement; a group organism has come into being.

Such an organism consciously or unconsciously selects leaders to guide it, to represent it before the world. The group often promulgates its motive or

message in a formula, a standard of belief, a creed, a definition of aims, a constitution, or a proclamation of some sort to defend itself against the mistaken preconceived ideas others may have of its motive or its message. But language is full of preconceived ideas, and they are all the more dangerous because they are unconscious ideas.<sup>1</sup> The preconceived ideas and the language of the formula eventually become more important than the motive which led to them. The organism becomes an organization, an institution. One who unites with the group is bound to it by the form in which the message is cast, by the institution, rather than the message. How many men vote the Republican or Democratic ticket merely because their fathers did!

Alleging that the state schools of Australia teach "myth, murder and militarism," the Queensland Trades Union Congress has condemned their government for teaching the Bible to the school children. Such terms of condemnation in the mouths of the working people show that for some reason the institutions called Christian Churches have failed to present the ideal of a moral order embracing the whole human race. Those of us who have grown up in Christian Churches thought we had this purpose underlying our religious and moral message. If our purpose fully possessed the unique dynamic force which distinguished moral ideals from all other ideals, it would have within itself

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an irresistible impulse to embody itself in reality, for a moral ideal carries with it the imperative of conscience. But our purpose has failed. It has not acted dynamically upon the moral evolution, so far as that evolution is expressed in systems of government and in the structure of society. The truth seems to be that the churches have ceased to be organisms in which people are bound together by the spirit of Christ.

The Discipline of one denomination says:<sup>2</sup>—"We look with deep concern on the great increase of amusements . . . warning and entreaty against theater-going, dancing, and such games of chance as are frequently associated with gambling. . . . In case of neglect of duties of any kind; imprudent conduct; indulging sinful tempers or words; dancing; playing at games of chance; attending theaters, horseraces, circuses, dancing parties . . . let private reproof be given by the Pastor or Class Leader. . . . On the second offense the Pastor or Class Leader may take with him one or two discreet members of the Church. On the third offense let him be brought to trial."

Such rules are typical of many churches, and although their original purpose may have been to direct restless souls away from diversions and toward spiritual adventure, the rules have resulted in directing them to the seeking of material profits in productive industry. The church membership is

a thrifty people. I find little praise of thrift in the New Testament, but much praise of one who was extravagant enough to spend all at once a box of very precious ointment. Following Christ in Galilee and pagan Rome was a risky adventure. In our large cities to-day it is the badge of middle class respectability and a comfortable bank account.

It is significant that the seats of the Bishops in the English House of Lords are always on the "government side" of the house. Theoretically the state church always votes to support the party in power. The romance is gone out of the Christian adventure. Ideas in the form of pictures instead of actions have become the normal expression of the Christian's life. Faith has become a mere test of credulity, instead of a motive for adventure, social and economic, as well as spiritual.

Forgetting that it was religious adventurers who founded American institutions, the American churches are preaching the doctrine of "safety first,"—the doctrine of caution, caution for which there is no beatitude. The churches seem to exist largely for maintaining the different institutional forms through which men and women of the past have sought to express and to make more effective the functions of the spirit of Christ in their own times. The churches have become institutionalized. A large part of the members seem dissatisfied with the churches to which they belong, but feeling them-



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selves dependent on the emotional group life growing out of the church association, dare not break away.

It is not the churches alone that have become institutionalized. Competent observers say that in the labor unions making up the American Federation of Labor, probably a majority are opposed to its policies and its forms of organization. Despite official denials, labor men say that most of the Labor Unionists seem to favor the "One Big Union" system, wherein each factory group of laborers form a unit or union, comprising all that work in the factory, irrespective of their trade classification. Each of these units would be represented in a larger unit, covering a city or state, and these in turn would select representatives to the central governing body. So thoroughly was the 1919 Spring convention of the American Federation of Labor under the control of the executive officials, that it is said only a single representative voted against the program of work for the ensuing year proposed by the officers.<sup>3</sup> One observer says, that more than ninety per cent of the delegates were salaried officials, working at desks in the various labor headquarters. Salaried work had killed the spirit of adventure in them. They were afraid the institutions they represented would be put out of the Federation, or that they would lose their well paid jobs. So they voted as they were asked to vote by the executives of the Federa-

tion. The revolt against such institutionalism showed itself in the following August, when the railroad shop-men went on strike over almost the whole country in defiance of the orders of the heads of their unions.<sup>4</sup>

At the end of the strike in 1919 of the employees of the American Woolen Company in Lawrence, the report published in the newspapers was that the strike "collapsed," although the strikers claimed that they had been conceded their utmost demands. Perhaps the Company officials were determined that the public should believe the Company was an impregnable institution, should never doubt the infallibility of its directors or the soundness of its policies.

In 1917 the newspapers published a story to the effect that a certain United States Senator, of one of the "best" families, had been attacked and knocked down by a man who had come to interview him. The man was said to have been arrested, taken to the police station, and discharged, because, it was intimated, the Senator was gracious enough to decline to appear in such a brutal affair. The newspapers almost everywhere commented on the "dastardly attack" and "cowardly blow."

In 1919 the facts came out, when the Senator was sued for libel, and apparently paid a large sum of money to avoid the publicity of the truth. As nearly as can be made out the Senator called by

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unpleasant names the man who came to see him, and dealt the first (possibly the only) blow, and apparently used his influence with the police to shift the blame from his own shoulders to those of the victim.<sup>5</sup>

That blow which in 1917 the newspapers had called "dastardly," was defended in 1919 by "big business" men who believed the Senator did "exactly the right thing." In their eyes the Senator was justifiably defending the institutions of the government. In the eyes of the radicals, the blow is all the more criminal in that it was struck by one who should have dealt fairly and patiently with an honest man, if not a great man. The "big business" men have become a fairly integral class and as a class they have become institutionalized. Not only do they say "the king can do no wrong," they seem to maintain that no man in authority can do wrong if he is ostensibly defending the institutions they believe in.

We forget that progress depends on doubt—doubt of the finality of the ideals, the achievements, the methods, and the institutions of the past. In the ethics of theology doubt, even sincere doubt, is reckoned as an unfortunate infirmity, or even as fatal sin. The churches have been afraid to make Science their handmaid, for Science reckons open-minded doubt as a cardinal duty. Other institutions, business organizations especially, have made

extensive use of Science, but the workers often resent this. Not only do the discoveries of Science bring about revolutions in method which throw men and women out of employment, but the workers fancy that science is used by the managers to entrench the business institutions in their power over the workers. Science in truth is used much more to increase the efficiency of production than it is to directly benefit the workers.

The workers and the middle class alike seem to feel that the world is drifting on, with no aim in sight beyond the preservation of the present forms of government and society. They are asked to live on hopes of a future that they cannot divine, while they pay heavily for a present that they do not understand. They are ready to go beyond Lecky and concede that the entire structure of a true civilization is founded upon the belief that it is a good thing to cultivate intellectual and material capacities even at the cost of certain moral evils which we are often able accurately to foresee. But they are sure that the leaders of the nations not only shut their eyes to the evils, but also blind the eyes of the people so that they too may be unable to see the evils. They know that the intellectual and moral capacities are for the most part uncultivated, and that the material attainments overrated for the great bulk of the people. They feel that this blindness—this lack of cultivation of the good—is

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largely unnecessary; that if the leaders were as interested in seeking after the good of the people as they are in preserving the institutions of government and their own political parties—if the leaders were primarily interested in ideals rather than in institutions, ideals rather than institutions would become the object of civilization. Idealism would replace institutionalism. Progress would be real.

## CHAPTER VII

### EDUCATION, EMOTION AND IDEALISM

IT is not safe to dismiss present-day social and economic troubles with the remark that democracy is the cure, that self-determination is all that is needed, and that education of the masses will bring the desired result. Education is a word thoughtlessly used.

The purpose of true and full school education is to bring to the mind of the growing child and youth the whole environment of civilization, not only its tools—arithmetic and science—but also its purposes and its unconscious plan of development—its idealism and its philosophy. Just as a child learns a language by hearing it used and using it, even if too young to understand formal grammar, so a child can learn best the purposes and ground plan of civilization—its grammar, so to speak—by hearing and by reading history and the literature of the past, wherein mankind has embodied the story of its plans and ideals, its struggles, failures, and successes. So too a child can learn to see in nature the guiding hand of order. The child understands personality

as a directing force, before it understands scientific law. Wisdom is the sensing of the ground plan of civilization, from which the unconscious and undefined present purposes can be learned. This a child can unconsciously absorb before it can realize the meaning of knowledge—the laws of science, of machinery, of manufacture, and of engineering.

We must not be discouraged by what some psychologists think. Says one of them, the expert for the N—— Department of Education, "There are about ten per cent of the population who are in no way feeble-minded, who ought not to be called high grade morons, but who will never really learn to read and write. They can learn to read expressively and to copy writing beautifully, but they will never learn anything from what they read. They read but do not understand the meaning of what they read, any more than if it was in a foreign language. They learn by doing, and often are highly skilled workmen." Perhaps he says this because he knows how many children are like the one who wrote, "Virginia produces enough wheat for her own rheumatism,"—interpreting the book which said "for her own consumption."

My friend who demonstrates a system of reading for the N—— Publishing Company does not agree with the psychologist at all. She admits that some learn to read only by doing or acting the words, some by seeing, and some by hearing them. But

she says that if hearing, seeing and doing are all carried on together and coördinated, any child not feeble-minded will eventually learn to read, and make profitable use in his life of anything he reads. The children must, however, act in dramas, and sing the rhymes, and see the pictures, of the stories from which they learn to read. She says she has found that even children from the poor families in the mill towns of the South, where she taught, beginning to learn to read in September would read fifteen to eighteen books by the next May, in addition to their regular class-room books. The "outside reading" books were of course carefully selected primers, stories, etc. This statement applied to every child in many of her classes. Sometimes bright children would read more than twenty books in this time. These books introduce the child to the ideas, ideals, attitudes of mind, and spiritual beauties of civilization. He can read books understandingly years before he can spell the words in them; years before he can formulate in words his definitions of the longer words.

I can readily believe this demonstrator is not citing an extraordinary case. I found that boys aged about ten, whom I taught in a Mission Sunday School in New York, had read either at home or at school in connection with their reading lessons, practically every book I could find suitable for their age in the large and well selected Children's Department



of the Public Library. On the other hand I am ready to believe that the psychologist, who sees children only for a short time, finds what he thinks is evidence to support his belief. In a New York public school the teacher of a first grade class called on one of the boys, who read with apparently appreciative expression, a paragraph in the reading book. The teacher said to me: "That boy has been in this country only three months, and we have had him six weeks. He does not understand a word of what he reads. We use the X—— Y—— system of teaching reading."

Some would-be reformers of our system of weights and measures have claimed that if the metric system were adopted, the resulting shortening and simplifying of the tables would "save" from two to three years' time in educating a child. Other reformers have made similar claims for their favorite new methods of education. I cannot help feeling that a fundamental misconception underlies such claims. There is every reason to believe that the modified Binet tests referred to in an earlier chapter, are reasonably fair measures of the brain power of children in present-day living conditions. These tests assume that the mind of a normal child can learn the meaning of counting by digits only when more than two years old, can learn the meaning of long division only when nine or ten, and can understand certain other conceptions only at other

well defined ages. So the "time saved" by improved methods of teaching apparently cannot materially hasten the speed at which a normal child's intellect matures. The greatest value of "saving time" is to enable the child to be brought into contact with civilization through more avenues, by training of the hand and sense of touch in doing, by seeing more things, by reading more books, by music, by art, by hearing more stories, and more tales of science. Perhaps in a perfectly developed system of education the child could spend the "time saved" in learning a foreign language, opening his eyes to a new world in its literature, even if only child literature. Although the child would probably learn little formal grammar in doing this, he would nevertheless absorb something of the philosophy of language, such as one who knows no foreign tongue can never learn. If children in the first year of the first school grade can learn to read, and to enjoy what they read so thoroughly, there is ample opportunity to bring home to the children in the succeeding years through fables, stories, and history, the elements of the wisdom of the ages.

Training for the coördination of the hands, eyes, ears and the sense of touch, is not often carried much further than the beginning of the teaching of reading. Unfortunately in the higher grades of school work, teaching is largely confined to what can be taught through the eye, and this necessarily

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fails to be effective on some minds under the handicaps of the school room. In an elementary class in a New York public school the teacher was trying to make the pupils realize something of country life, and how the city people were dependent on the farms for their food. The teacher set on her desk a model of a cow, correctly colored, and while it was in sight of the children, told them about butter and cheese, and how they were made from the milk of the cow. In spite of the teacher's efforts, a few questions put by a visitor developed the fact that the children thought the model was the full size of a real cow.

Such lack of touch with the realities of life runs through the whole education system. Some of the earlier women's colleges made a laudable attempt to overcome this deficiency by requiring that the girl students do part or all of the housework. One or two women's colleges took a different view and sought to prepare every graduate for "any position in life," for "an honor that she was not born to." There were imposing dining-room chairs, and the meals were served by becaped, white-aproned maids in black dresses. It was a graduate of one of these latter colleges who admitted at a luncheon she thought macaroni grew on trees like Florida moss, and was cut off in suitable lengths to be packed in blue paper packages. It was another graduate of the same college at the same luncheon who said

she had only just found out why eggs were called hard-boiled. She had always supposed they "came" hard and grew soft by keeping. It was a graduate of a similar college who went to the drug store for "five cents worth of tepid water."

If it is the purpose to give a "liberal education," methods must be radically revised, for what was liberalizing with rural community life as the background, ceases to be effectively liberal with another background. Plain living and high thinking meant one thing when rural life was typical. The phrase means something very different in city life.

It is difficult enough for the modern country child to appreciate the parable about the "salt losing its savor" and being "cast onto the dung-hill," for modern salt does not lose its savor except possibly in damp summer weather, and the children see no dung-hill by their door, nor does the dung-hill serve to take the place of both garbage-can and sewer, as in oriental lands. If their parents keep horses or cattle, they may have a dung-hill by the stable. The modern college graduate is hardly better off.

It is not surprising that the enterprising young workers in industries tend to organize into groups which eventually find an emotional outlet in a strike. In many places the most effective part of their education has been training in group activity. For half a generation in New York City the classes in the schools have been organized, even in the

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lower grades, with a president, vice-president, secretary, etc., and usually if the teacher leaves the room the class president takes the chair and keeps order. Often the class secretary keeps the roll of attendance, and class interests are developed under the guidance of the teacher, and debated, and decided by the children. Hundreds of thousands of the industrial workers of to-day had this experience of child group democratic interests and responsibility, but are denied both group interests and responsibility in industry.

Unrest to-day, as we have seen, takes the form of a demand for higher wages. But high wages alone cannot be a cure. Education in the broader sense is needed to awaken deadened souls to the real value of Life. Without education of the right sort, without education of the moral and emotional intelligence, high wages become a real peril. During the Great War, it was found in England that children, who by high wages had become economically independent of their parents, furnished a large portion of the juvenile delinquents. One girl who worked in one of the better paid Washington offices of the United States Government during the Great War says that the reckless extravagance of her fellow workers was appalling,—there was a great rage for satin underwear among those who for the first time were earning their living. One Washington girl worker claimed she needed more pay because her

father had to help her out. Her year's budget of expense, submitted to prove the need, included \$104 for silk stockings. Such are typical in a small way of what shows itself at its worst among the "nouveau riche." Earl Barnes, the popular lecturer on economics, who knew many of the California multimillionaires, says that the children of most of these went to the "bad"; that W. R. Hearst is the only one who has really been a credit to his family—some people would deny even him such an honor.

My wife has found that many of the women who register their children at day nurseries have their own and their children's shoes blacked at shoe blacking stands on the street—they like the sense of receiving personal service. As one level headed social worker says: "An ambitious girl will go through college on less than a nine-dollar-a-week girl spends for living expenses. The college girl has a sense of values. She blacks her own shoes."

Education naturally is most effective when it becomes the guiding power of the stresses of adolescence and all its torrential flood of developing energies. The hope of the future lies in catching these energies at their flood and directing them into constructive adventure. This will usually be about the time college or industrial life may begin—most of the girls who "go wrong" are said to take the first adventurous step in this direction at the age of sixteen.

A graduate of a modern city public school finds

most of his or her education an utterly ineffective introduction into later life, where outside of book-keeping, most of the jobs call for an interpretation of work in movements of the hand. The clamor for vocational education is a protest against this ineffectiveness. Vocational education may be well enough, and we need more of something of the sort, but training hands and the brain to purely material accomplishments will never save liberalism in America. The strength of vocational education is that it looks forward and prepares for things as they are. In any large sense it is aimless, or rather in modern industrial society it aims at successful slavery quite as much as successful freedom.

Charles Darwin, who is often charged with being the father of materialism, wrote: "Up to the age of thirty or beyond it, poetry of many kinds, such as the works of Milton, Gray, Byron, Wordsworth, and Shelley gave me great pleasure, and even as a school-boy I took intense delight in Shakespere . . . but now for many years I cannot endure to read a line of poetry. I have tried lately to read Shakespere, and found it so intolerably dull that it nauseated me. . . . My mind seems to have become a kind of machine for grinding general laws out of a large collection of facts."<sup>1</sup> It is not uncommon to hear a graduate of any one of our first-class technical institutes make an admission much like Darwin's. One said to me, "Before I went to Tech I

was a great reader, but I never read now. I used to admire James Bryce and enjoy his books. But now when I want to go to sleep I try to read his *Holy Roman Empire*." This same man is, however, much interested in books on manufacturing, and carefully studies and analyzes "graphs," showing rates of factory production and costs.

It will be remembered that Darwin had a classical education. He probably came to see in his later life, when he wrote what has been quoted above, that a soul which consists of mere intellect, with faith and hope and charity sheared away, is as helpless as a pigeon without its cerebellum. He knew that science posing as the physician of human nature is a failure. The education of the future will instill that there can be no knowledge without responsibility, no realization of beauty without sympathy. There must be faith in men. The school and college should be essentially, not accidentally, a place of freedom, a place in which the human mind is seeking deliverance from its bonds—the bonds of partial knowledge and self-interest. An institution which is not intellectually free, is not a true educational institution whatever else it be.

Our fathers and grandfathers went to colleges and academies where the conveniences of modern life were unknown. They usually arose before six in the morning, and studied in a room unheated, or heated by a single stove, however large. Usually



running water and bath tubs were unknown. They knew in college life the meaning of plain living and high thinking. To them education meant the study of the classics, the understanding of their own visions of a larger life by living in a mental environment of that literature in which they felt the pulses of humanity which have beaten from age to age—the literature which embodies the ideals, the struggles, and the hopes of the ages. If we were living in those days, or in the days when colleges were primarily for the training of preachers, we might have hopes that the doubling of the number of high school pupils each seven or eight years, and the corresponding increase in college students would restore to us faith in ethical values. But those days are gone. In an age when culture is defined by a bathtub, the means of obtaining culture becomes different. In many places even the reading of the Bible in the public schools is forbidden. When a hard-working country youth enters college to-day, it is to him often more impressive as an introduction to luxurious club life than to an atmosphere of idealism. The spirit of the old Americanism is best preserved in colleges by those students who “work their way through.” These keep in touch both with the material tribulations of life and with idealism.

In the endeavor to protect the mass of the people from ignorant doctors and lawyers the law and

medical schools are coöperating with the state governments to raise the standards of their professions. A student in either of these branches is usually required to present proofs of a college education. But the course of study in medicine is often such a severe tax on the time and strength of the typical student, that it is impossible for him to "work his way through" any one of the four years of the course. In the next generation, therefore, there will be few students from among the poor, or from the lower middle class, for such cannot find the needed financial support. The next generation of doctors will be a group who know nothing from their own lives of the struggles of handicapped life. They as a class will know the struggles only as outsiders. It is well that the State should try to protect the people from ignorant doctors and ignorant lawyers, but the serious concomitant results must not be overlooked.

In another chapter is pointed out the effect of low ethical standards in the legal profession. Attention should be here called to the need for more idealism among those who are studying medicine. When a neurologist was telling of the remarkable cures that doctors in his line were able to effect, I asked him why all doctors were not given such training. His answer was, "If you knew what kind of a man the typical medical student is, you would ask whether we are justified in teaching them as much as we do, rather than ask us to teach them more."

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One of the outcomes of this war, as of all wars, has been a shattering of wornout thought-molds. In doing this the war has performed a great service. This, however, must not be taken as an argument for war; but as an indictment of our whole educational system. The war challenged traditionalism. It has always been considered one of the main values of the study of science that it tends to liberate the mind from superstition and inadequate conceptions; and the changes in thought and expression due to the revelations of science have been mighty. However, it is not too much to say that most of the people have been little touched by these things. What education should have done and failed to do, the war has done. The iconoclasm has been quite effective; but war is not constructive, and we are left face to face with reconstruction.

President Butler of Columbia University proposes college entrance examinations solely for the purpose of creating an eligible list from which would be selected those whom the faculties wished to accept. College entrance ought to be based on some test of capacity, but Butler's test would probably be social conformity. "Whoso would be a man, must be a non-conformist." Training for citizenship is too likely to be training in social conformity.

In many ways the problem of "academic freedom" is only a reflection of the conditions in business groups. If, for instance, an employee of the Ameri-

can Can Company invents an attachment adapted to increase the efficiency of the can-making machinery used by a rival, he usually is legally and morally bound to sell or give it to the American Can Company, even though the attachment may be useless in the machinery of the latter, so a patent would only prevent the rival from using it. For different reasons, an author who has written a school textbook for one publisher, is practically bound to sell his later books through the same publisher. If he sought another publisher for later books, the community of interest between the author and the publisher of the first book would be injured, to the detriment of both author and publisher.

As long ago as 1885 a young instructor of great promise, since grown to be a man of international fame, when he was at a prominent Southern University, wrote a letter to a newspaper criticizing the ethical purpose of work done in some of the laboratories. He lost his position, just as have several instructors during the Great War. In his case the cause for the discharge was the fact that his attack on the university seemed to destroy the perfect solidarity the university group should display to the world.

The war seems to have vastly increased the desire for imposing solidarity,—social conformity. A Montana professor is said to have been suspended for publishing an analysis of taxable property which

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implied unfairness by undervaluation in the assessments of the Anaconda Copper Company's property. He probably was deemed to impugn the honesty of the state administration of which his university was almost an integral part.

We may be sure that such actions by the management of colleges are not for the purpose of teaching tolerance or respect for the rights of others. An Eastern college professor was left undisturbed in his freedom, although he published in the newspapers a letter proclaiming as a "crying shame" the pacifist attitude in the Great War of a neighboring college only a mile away. He was only attacking a sister or brother college, and the attack was only an insult to another college—not directed against the solidarity of his own group nor against the policies of the government.

If the college is to maintain its place in the future, it must be by training men and women to think for themselves. It should select students on the basis of their capacity to become thinkers, leavening the mass of emotion with a little independent and fearless thought. With our growth in wealth we increasingly need a substitute for poverty, for its strenuous life. We must have the faith that colleges are to turn out thinkers rather than gentlemen and gentleladies. That is faith which questions not the value of culture, but its definition.

So long as a group of women graduates of one of

our best Eastern colleges will say to a married ex-teacher, "What makes you come to these meetings now that you are married and do not have to earn your living?" so long will we know that typical college graduates are people who have been overtrained, until their souls are "stale," as the body of an overtrained athlete is "stale." So long will it still be said that the greatest desideratum is to be a graduate of that Eastern college and yet have a soul.

In truth the formulated procedure for obtaining a "Ph.D. degree" seems to take so little account of the soul of an aspirant that the original work and the theses required are made the measure of mental acquisitiveness rather than mental adventure, converting the students' idealistic hopes into selfish ambition.

It is no wonder that students and professors alike revolt from such a system, generating, as it does, pride and intellectual aloofness, instead of the humility and the attitude of constructive doubt which make up the foundation of the true scientific spirit.

A properly administered university, instead of training the students' visions to fit the gauge of "a single track Ph.D. mind," should strive to give the students an environment which shall open new windows for their souls. Even the term "psychologist" is a misnomer now. Although the soul is what gives their science its name, a pupil of the psychologists

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writes, "To admit the soul is to admit a sympathetic human interest, and sympathetic human interest is characteristic of primitive man, who is essentially unscientific. Science is the study of realities. Scientific method when applied to the human mind discovers nothing but human behavior. Behavior is therefore all that is real in mind. What we call the behavior of the human mind is the behavior of the human body—that and nothing more. Mind in the sense of an inner, personal, spiritual experience must be laid away, along with the immortal soul among the discarded superstitions of an unscientific past."

The philosopher, John Dewey, on the other hand writes, "The business of reason is not to extinguish the fires which keep the cauldron of vitality seething, nor yet to supply the ingredients which are in vital stir. Its task is to see that they boil to some purpose. All emotion bears witness to departure from the habitual, to the presence of an emergency or crisis. It is the business of deliberate thought to direct the play of emotion to an end." Moral judgment, like business judgment, or any other kind of higher thought process, is a function of educated intelligence.

## CHAPTER VIII

### ADVENTURE AND ETHICS

IN this age when it is so common to believe that civilization means the substitution of knowledge and rules of law for all emotional interest in life and life's problems, we must not overlook the close connection between adventure and ethics. Being patriotic, being good, does not mean passive acquiescence in things as they are. "The devil always finds some work for idle hands to do"—so runs one form of the ancient proverb. In truth the proverb really means the devil always finds some explosive thoughts to fill the idle brain when an untrained soul is seeking expression. Modern civilization has educated and trained the brain of the average man and woman, but it has provided for the worker mainly routine work and so has left idle the worker's soul and brain. Modern civilization has tried to provide "culture" for the few who can go to college, unconsciously thinking it a substitute for the spirit of adventure which made America. Moreover it forgets the millions who never get to college.

The spirit of adventure still remains with us in



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ways we overlook. Often when I walk down Church Street, New York, behind the offices of the express companies, on my way to lunch, I see silver in pigs, or in bags of coins, being unloaded at the sidewalk from a motor truck, loaded onto hand trucks, and pushed across into the office building. Neither soldier nor policeman is ever in sight. My European friends are astounded at such recklessness, such lack of security, as it seems to them, for in Europe, an armed man in uniform, probably several armed men in uniform, would stand guard over such valuable freight. This absence of armed men is not recklessness, but adventure, the kind of adventure which is called Americanism.

The two words, democracy and security, are words with which the would-be leaders of the nations are seeking to conjure the multitudes. Yet who knows what these words mean or with what ideas they may be compatible? Democracy is in its essence an adventurous belief in the ultimate sanity of the multitudes, but, so far as it is adventurous, it depends on a willingness to abandon security.

It was mainly the adventurous initiative of religious, social groups on the frontiers of civilization that founded America, and established a social organization embodying those dominant factors in American institutions and American ideals which we call Americanism. Up to within a generation the frontier was a controlling feature in determining the

character of American initiative, by continually offering the choice of a picturesque adventurous life with untold possibilities of change to every American who rejoiced as a strong man to run a race. To such men America has been "God's country." The frontier families grouped themselves around the churches which the first-comers established everywhere throughout the East and Middle States to the east of the great divide, despite their poverty. It was not until about the time of our Civil War, following on the discovery of gold and other metals in the Western mountains, that materialism dominated parts of the frontier, and the drinking saloon became typical of frontier life. This materialism has made its impress on America. "To-day our riches, our luxury, our ease, are standing between our souls and God. The gravamen of the charge lies not simply in the self-indulgence induced; it is rather that these things engender a sense of security. When Christ demanded the great surrender from the rich young man, He was calling him not so much into a life of poverty as into one of adventure."<sup>1</sup>

An unexhausted West no longer calls those vigorous souls who feel the stifling effect of established customs and of material prosperity. The struggle by the side of others to make life really livable amid new surroundings, gave the urge of an ethical purpose to the young man or woman who went West a

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generation or two ago. The Methodists, and several other denominations, are said to bring nine-tenths of the pastors for their Eastern churches from west of the Alleghenies, where the children of the men who grew up with the country still feel the urge of an ethical purpose in life.

Among the Quaker colleges west of the Alleghenies, it is frequently stated with pride, "More than half of last year's graduates have gone into constructive work," meaning that they have gone into church, or Y. M. C. A., or other social service work, or into teaching. Pride in this kind of constructive work is not common in Eastern colleges, even among the denominational colleges. Too often the man or woman who takes up any kind of social service work is looked upon as wearing out great talents for small pecuniary reward, yet I venture to say that those Western Methodist ministers, and those Quaker college graduates, are doing more to give American civilization an ethical purpose than are the efficient, hard-working "captains of industry."

There is much talk of the need of "Americanizing" the immigrants and their children. The word "Americanize" is used thoughtlessly; it needs definition. American institutions are commonly said to be democracy, and the right to life, liberty and the pursuit of happiness, quoting the Declaration of Independence. In the days when the Declaration of Independence was written the frontier was at

the doors, and the near-by frontier spelled opportunity, spelled hope. Opportunity was an institution that could not be suppressed so long as there was a frontier, but with the passing of the frontier, and the growth of group life, and of group production in great factories, many doors of opportunity were closed, many goals of hope disappeared. To many people, to most of the employees of great industries, America no longer spells opportunity, no longer spells hope. For these people, therefore, our problem is to Americanize America by providing new doors of opportunity, new goals of hope. To many of our wealthy men and our political leaders of to-day, America once spelled opportunity, although for them America now spells safety, security of income, security of investment, and security of comforts. Such men are typical of the men who make up the National Security League. To listen to their arguments, one would imagine they had never heard of the very ancestors of whom so many of them claim to be proud. Those ancestors were men whose wives and children in the frontier settlements shared a daily adventure with nature, and were courageous enough to live near red Indians, their potential friends or potential foes.

In twenty years the American idealistic by-word "self-made man," a term carried bodily and proudly into other languages,—in twenty years, that by-word and all that it connotes has been displaced by the

word "security" and all that is connoted by the abandonment of the ideal of adventure. It is probably more than a coincidence that the rise of "dollar diplomacy" is contemporaneous with America's building of a battle fleet. Side by side with the rise of "dollar diplomacy," and with the cry for security, the great banking interests of America have slowly separated into two groups, which have been called the industrial group and the exploiting group. The latter are the older bankers, who obtained their start in developing the resources of the country as it grew up, and having accumulated wealth, have gone into the international field, seeking to exploit the resources of other lands. The industrial group are interested primarily in production; the international group in exploitation. The industrial or commercial group have more connections with the industrial and trade world, think more of the problems of labor. The international group have more connection with governments, think more of manipulating the works of men to the ends of arbitrary authority, and live in an atmosphere of power and bureaucracy. They believe governmental authority is still supreme, and that troops will always put down the revolutions and maintain the financial obligations. They are not at all interested in opportunity in America, at least not at all in providing opportunity for the average man.

It is said that Benjamin Franklin made his start

in life by buying some white paper, some red ink, and a pen. With these he produced attractive red-lined labels which he sold at a good profit. To-day labels are manufactured by the million, in great factories, and are sold for less than an ambitious young Franklin of to-day would have to pay for the paper.

In our own day an Italian boy came to New York and obtained permission to travel back and forth on a harbor ferryboat as a bootblack. He was successful, and to-day is said to have a large income from the dimes which his employees earn by blacking the shoes of the travelers. He has a monopoly of the "concessions" for blacking shoes on the ferryboats. No boy coming to New York to-day can obtain a worth-while start in life either by producing hand-ruled labels or by blacking shoes on the ferryboats. The immigrant, to whom America has seemed the land of opportunity, finds that the opportunities are all in possession of earlier comers, and can hardly be blamed if he turns to a political doctrine of government which promises equality of opportunity for all. He thinks he finds such a doctrine in Socialism.

Some six years ago it was reported in the newspapers<sup>2</sup> that the right to carry drinking water in the elevators for delivery to the tenants in the great fifty-four-story Woolworth Building in New York had been sold to a certain dealer in bottled water,

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and that from each of the five-gallon bottles, for which the tenant paid fifty cents, the owner of the building received a "commission" of thirty cents. This seems so incredible that the amount may be an error, but it is an every day fact that similar commissions are paid. Any public stenographer in such a building is ready to admit paying a high price for the privilege of merely hanging up the sign "Public Stenographer." I have been told that one building owner demanded \$5,000 a year above the price of the rent from the public stenographer there. In apartment houses of New York janitors have admitted often that they get free ice from the ice dealer, and free milk from the milk dealer. Perhaps it is for this reason that the milk from retail delivery wagons in New York is usually from one to four cents higher per quart than it is in Philadelphia.

Similar practices run through many businesses—in factories, it is the engineer who buys or passes on the quality of the lubricating oil and receives the "commission." In dye houses, it is said that it is customary for the boss dyer to look under the tags of the barrels and boxes of dyes, for it is in those places that he finds five or ten dollar bills, the "commission" which the dealer gives him.

Doubtless many an armchair moralist will say, "If it is an understood thing, where is the harm?" I conceive the harm to lie in the fact that as soon as

business methods cease to be open and above-board, there is placed a serious handicap on the enterprise of any one who is better able to do the business, but who is not "onto the ways of the game." For instance, a new dealer in water may try to sell the tenants of the Woolworth Building a better and even cheaper water, but unless he can first "make a deal" with the owner or superintendent of the building, he is unable to deliver the water he wishes to sell. His enterprise is measured, not by his ability to handle and sell water, but by his ability to bribe or over-persuade a man who has no direct interest in the quality or price of the water,—his desire for economic adventure is diverted from its beneficial influence on society. The system of "commissions," "tips," "bribes," and "rake offs," deprives competition of its stimulus to progress along healthful lines.

Any one who has lived in a large or fairly expensive boarding house in New York, or who has had occasion to hire stenographers of the better class, knows that many, both men and women, are living away from home purely in the spirit of adventure. Often girls live away from home in their own city just to feel their independence. They want to feel that they can "take care of themselves" in the world, even if there is no prospect of their ever having to earn their own living. Some even undergo great inconvenience to prove their "independence."



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I know one who has been for several years a public stenographer, and who never has netted profits equal to the pay she could earn in regular office work, yet who could live at home with her parents, and have the use of their automobile. Among young men, this restlessness is commonly called going off to "seek a fortune," but probably the fortune is not the attraction so much as the desire of the man to be "the architect of his own fate."

Life is indeed lonely in a great city for those alone during the day. I have had to interview as prospective witnesses, about business letters they had written, several married women who had been stenographers in various offices. I was very much impressed with the fact that on meeting their former associates in the office practically every one of them said, "Oh, I often wish I were back here. It is so lonesome alone in an apartment when everything is done, and there is nothing to do all afternoon."

It is not until I had heard such exclamations that I was really ready to believe the police captain who said, "It isn't the poor girls who go to the bad. The ones who ruin the young men are the young married women who have nothing to do all day, and are not satisfied with what their husbands can give them. Half the time their husbands don't earn any more than their wives used to, and so the women can't have what they have been accustomed to."

The denial of so many forms of adventure to the

adolescent youth, especially to girls, that results from the restrictions of city home life, has led to other forms of adventure, like thieving. One young man whom I knew well, the son of a retail dry goods dealer who had owned and managed stores ranging in size from one normally employing four girls to one normally employing thirty, tells me that his father's losses by thieving on the part of his girl employees usually were between one and two per cent of his sales. The favorite method of girls was to make a sale to a friend for about a dollar, and put in the bundle ten dollars worth of goods, trusting that the bundle wrapper would not notice the discrepancy. Men used different methods. Most of his employees and those least to be trusted, were of the class he called "well off," meaning that they were high school graduates, and did not need to work for a living. One girl in particular was at the head of her class in the high school. Her father was very wrathful when she was discharged, and scarcely believed a charge of thieving could be true until the girl confessed.

It is not of business morality alone that the children of the well-to-do are kept in ignorance, by being guarded from the "world." I know one man just a few years out of college who went one hot Sunday afternoon to call on a girl only a few years younger than himself, and living just inside New York City. Finding the porch where they were seated uncom-

fortably warm, he asked the girl if she would excuse him if he took off his coat. The girl seemed embarrassed and finally said, "Why I don't know what to say, I never saw a man with his coat off." The children of the more well-to-do often grow up utterly ignorant of the meaning of the functions of physical life. One magazine having a large circulation among those conservative, middle class people who try to turn their backs on evil and temptation, published some years ago the true story of a carefully-brought-up daughter whose parents called a doctor to attend her at the birth of an illegitimate child. So ignorant was she of the meaning of womanhood that even after he had gone the poor girl thought the doctor had brought the baby in his bag. Such stories in real life must be almost an every day affair for otherwise it is scarcely possible that a great dramatic producer would select as likely to prove popular, plays offered him which depend for their motive on such ignorance of life.<sup>3</sup> Such a girl seeks adventure. She has never been taught ethical interest in the problems of life, and the joy of helping others over their pitfalls.

If I can believe what has been told me by rather attractive young men who are habitually invited to house parties among the very wealthy, the shut-in, self-centered life of the wealthy leads to almost unbelievable attempts at adventure by the girls of college age, kept at home to be "safe." Says one,

"You can easily imagine there is little limit to the goings-on in the lounging and billiard rooms of these houses, after the old folks have gone to bed, and the lights are almost all out. The sofas are soft and seductive and no one is going to turn up the lights. I used to think that some of the girls would draw the line somewhere, but they don't. What do such girls want with embroidering altar cloths and the meetings of the chancel circle? They want life and their parents won't let them see it. It's no wonder that so many mothers take their young unmarried daughters on trips to Europe for their health for a year, really for the health of their reputation. These girls aren't really bad. They are just out for adventure."

Truly those young, grown daughters of well-to-do parents who went alone every week into "hell's kitchen" in New York in the dark, Tammany police days, were being kept safer by their parents than if they had been enjoying house parties, and dancing away week-ends in a round of fashionable homes. In meeting the socially and economically handicapped on their own ground, these girls saw by contrast the adventure and the richness of a fuller home life.

So widespread is the tolerance for immorality among successful men in many great cities, that the word "morality" in some circles means merely living

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up to the rules of the game of business and of so-called professional ethics.

These circles are already starting civilization on that road to family degeneration and ethical ruin, which is said to be so graphically pictured on the house walls and in the writings of the ancients, and which brought Roman civilization into the dust, until Rome became merely a ruined city on the banks of the Tiber. It is often forgotten that many ancient Roman houses belonging to the wealthy were heated by furnaces and had rudimentary plumbing systems—comforts unknown during the dark ages, and rediscovered only with the awakening at the age of adventure which began in the time of Queen Elizabeth. Those who read between the lines of the stories will learn that even in the time of the luxurious banquets of the voluptuous French monarchs, the palaces were so cold in winter that the wine froze on the tables laden with the dainties of the world.

When Romans, in the time of Julius Cæsar, first felt confident of the security of their empire, their adventuring became financial exploiting, and the plundering of foreign races, their democracy and their moral life collapsed in a single generation, and ancient Rome eventually lost both the ethical and material values she had created and developed.

Back of the determination and apparent unreasonableness of many modern reformers, back of much of

the I. W. W. movement, back of the socialist movement, and back of the "pig-headedness" of the "conscientious objectors" to war, is a feeling that civilization to-day is a failure, that its apparent splendor is mostly sham, and that it means glory and demoralizing idleness for the few; misery and neglect for the many. Doubtless the picture they present is overdrawn, but if we thoughtfully contemplate the sudden decay of the splendors of Rome and Greece and Egypt, we must realize their failure should teach us to seek ethical values, and wholesome opportunities for adventure.<sup>4</sup>

## CHAPTER IX

### THE GOVERNMENT, LAW AND UNREST

WHEN it was proposed to hold a mock trial by way of entertainment in one of the larger New England cities, a still active business man of the last generation opposed it. "Law is something sacred. You oughtn't to hold a mock trial. You wouldn't hold a mock prayer-meeting, would you?" Such men believe that the solution of labor problems, the problem of unrest, lies in law and law enforcement.

Very different is the impression others have of the fundamental law of the land—the constitution—especially its guarantees of equality and freedom as interpreted in administrative law and by the courts. One, McGregor Ross, says<sup>1</sup> that in February, 1919, he was seized and handcuffed in Index, Washington, on the Pacific Coast, and brought to Ellis Island, New York, where he was held for deportation as an undesirable alien, and denied counsel because the law does not require aliens to be allowed counsel. Here for the first time he learned what were the charges against him,—alleged membership in the

I. W. W. After two months he succeeded in obtaining proof that he was an American, born of generations of American ancestry, and was discharged three thousand miles away from his job. He was penniless and friendless. He had been seized by an immigration office official and was therefore without redress.

The case of Ross is typical of a wide-spread tendency to utilize administrative law to harass those who fail to conform to the business or social standards of influential people. A mayor of Seattle, in the same State of Washington, where Ross was seized, in an interview as reported by a press correspondent said of the I. W. W.:<sup>2</sup> "We closed up every 'wobbly' (I. W. W.) hall in town. We didn't have any law to do it with, so we used nails. When there was serious opposition, we trotted out the Department of Health and had the building condemned. We didn't need any more law than we did to stop the red flag. We just stopped it."

Undoubtedly that mayor and the immigration inspectors believe that Professor Giddings is right when he says in his *Representative Government*,<sup>3</sup> "Justice is an adjustment of social service, to the end that all may live the good life." To them a middle class life, with all the comforts of home, is the "good life." They belong in the same class as the college president who, forgetting the millions of homes that had no bathtubs, said, some twenty years



ago, "Why I can remember when every one didn't take a cold bath in the morning." The harassed workers feel that Professor Giddings came nearer the truth in an earlier page when writing: "A jurist warned his son not to suppose that the primary object of the law is to render justice. The first business of law, he said, is to settle disputes."

These workers believe (to quote Professor Giddings): "In doing what he can do well, the normal human being finds satisfaction. He is conscious of power and worth. Therefore only in organized society are justice, true education and the good life possible." These workers think they are seeking an adjustment of social service which will make life mean the "good life" to them as much as it does to that mayor and that college president. These workers feel that present day law provides no remedy for settling their disputes with those for whom they work.<sup>4</sup> Moreover, the repression of the "radicals" by that mayor under the forms of administrative law, brings law and order into contempt in the eyes of those who suffer by it and creates the spirit of revolution.

Such meetings as that mayor sought to prohibit, and have been prohibited in many cities by similar means, are really designed to bring home, though crudely, to the whole community the very need which Elihu Root brought to the attention of the Bar Association:<sup>5</sup> "The industrial and social changes

of our time have been too swift for slowly-forming custom. Old rules applied to new conditions never dreamed of when the rules were stated, proved inadequate too suddenly for the courts readily to overtake them with the application of the principles out of which the rules grew. We have only just begun to realize the transformation in industrial conditions produced by the wonderful inventions and discoveries of the past century. The interdependence of modern life, extending not merely to the massed city community, but to the farm and mine and isolated factory, which depend for their market and their supplies upon far-distant regions and upon complicated processes of transportation and exchange, has deprived the individual largely of his power of self-protection, and has opened new avenues through which, by means unknown to the ancient law, fatal injuries may be inflicted upon his rights, his property, his health, his liberty of action, his life itself.

"The individualism which was the formula of reform in the early nineteenth century was an assertion of each freeman's right to order his own life according to his own pleasure and power, unrestrained by those class limitations which had long determined individual status. In lieu of class subjection and class domination was to be the give and take of industrial demand and supply.

"Now, however, the power of organization has

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massed both capital and labor in such vast operations, that in many directions, affecting great bodies of people, the right of contract can no longer be at once individual and free. In the great massed industries the free give and take of industrial supply and demand does not apply to the individual. Nor does the right of free contract protect the individual under those conditions of complicated interdependence which make so large a part of the community dependent for their food, their clothing, their health and means of continuing life itself, upon the service of a multitude of people with whom they have no direct relations whatever, contract or otherwise.

“Too many of us have been trying to get something out of the country and too few of us have been trying to serve it. Too many of us have forgotten that a government which is to preserve liberty and justice must have the heart and soul of the people behind it—not mere indifference. Too many of us have forgotten that not only eternal vigilance, but eternal effort, is the price of liberty.

“We are entering upon the creation of a body of administrative law quite different in its machinery, its remedies, and its necessary safeguards from the old method of regulation by specific statutes enforced by the courts. It is the delegation of power to be exercised in detail by subordinate agents, sub-

ject to the control of general directions prescribed by superior authority."

A comparatively simple accident may cause serious injury to the property, health, liberty of action, and life of another, who is yet barred the right of recovery.

"Brady, one of the defendant's drivers, asked McKeon, a boy of tender years, to ride with him and help him make deliveries. The wagon was drawn by a pair of horses that had long been known, it is alleged, to have vicious propensities. A box having fallen from the wagon, Brady alighted to adjust the tailboard and ordered the boy to get off and get the box. As the boy was descending, the horses jumped and started to run, thereby throwing him under the wheels and causing injuries that made necessary the amputation of his leg. There was evidence of a custom or practice pursued through many years by the defendant's drivers (in which, it is alleged, the defendant acquiesced for its own profit) of picking up boys to help them make deliveries without payment or reward other than the boyish pleasure of riding." Although the court which first heard the case allowed the boy damages, the appellate court reversed this, saying that the defendant (a large corporation) was not liable, unless the stableman who supervised the drivers and who knew that the boy was riding, had authority to allow the drivers to thus employ boys. It appeared that the defendant,

in form at least, had instructed the stableman to order boys off the wagons. In thus reversing the lower court the appellate court admitted that it had to invoke a rather unusual doctrine.<sup>6</sup>

Such a decision makes "radicals" and "socialists" out of the workers, who fail to see why the responsibility of the corporation should be measured by its private rules, of which neither the boy, nor his parents, nor even the driver may have ever heard.

The deeper thinkers among the workers want more than the reform of the courts. They know that the community spirit is not bred in the police courts or any other law court. They know that unscrupulous and inefficient employers draft rules to protect themselves against suits for damages, and, making no pretense of enforcing them, use the rules as a cloak for inefficiency or for fraudulent intent. Such a decision, to the "radicals," seems to prove that a corporation and its employees, so far from forming an economic or social unit having a community spirit, form two hostile groups. Their name for this apparent hostility is "the class war." Revolt against the laws which produce these situations is expressed in a demand for state socialism, in which the state as representing the people shall own and manage each industry; this revolt is increasing, also finding expression in a demand for "guild socialism," in which each industry, or perhaps each factory, with its workers, is to form an economic, political,

and social group, sending representatives to a central government.<sup>7</sup>

This proposal carries to its logical extremes the organization of the Liberty Loan "drives" in America. In these "drives" each "trade" or business appointed a committee, usually drawn from sub-committees set up in each store or factory, and these committees planned and executed the "campaign." The "Industrial Conference" called by Lloyd George in 1919, and the Whitley councils in England, indicate a drift there toward the same form of organization.

A stranger to law hardly knows what to do when he wants his will drawn or real estate transferred, especially in large cities where it is impossible for any ordinary lawyer to have a community reputation for good or for evil. The stranger naturally turns to a Trust Company. The successful prosecution of Trust Companies for "practicing law without a license" only irritates the "radicals," for the Trust Company is at least financially careful of its reputation and ethical standing. Often the "radicals" know to their personal cost the proverbial dilatoriness of lawyers and how this becomes neglect to pay long overdue bills and even deliberate avoidance of paying just debts.<sup>8</sup> Apparently the law can only regain its proper ethical position in the eyes of the "radicals" by continued critical "jacking up" of every lawyer whose reputation in even the little

matters of life is not above suspicion. They cannot understand why an attorney, who is constantly called "an officer of the court," is not more rigidly overseen by the court; for example, why he should not have his books audited unexpectedly by a court-appointed auditor, just as the books of a life insurance agent are audited unexpectedly. They think lawyers should be severely reprimanded, and in the presence of their client ordered to pocket the loss, when they stretch out proceedings with consequent expense.

In the eyes of many people, lawyers form a trades union which is just as selfish in its motives and just as reluctant to deal severely with members who make selfish use of their opportunities, as is any ordinary trades union made up of comparatively ignorant men. The courts have said countless times, "where no objection or exception was taken to the introduction of evidence at the trial it cannot be reviewed on appeal," and in this the "radicals" see the client punished for the ignorance or oversight of his attorney. Moreover, the "radicals" find fault with the law for punishing ordinary perjury more severely than the deliberate drawing up of a false affidavit by an attorney. They think the presumably well-trained lawyer-attorney, well able to protect himself, should face the greater penalty. Some judges have gone far to discredit law and order and thus weakened the restraining hands of the saner

“radicals.” One judge is reported in the New York newspapers as having said to a man who was arrested at a theater as the result of a commotion from his refusing to buy a Liberty Bond, “They should have taken you and lynched you right then and there. If anybody was brought before me on a charge of that kind, I would send them away with the commendation of the court.”

The accepted method of financing corporations brings moral discredit upon the law, in the eyes of many people. The laws of many states require that if the stock of a corporation be not issued at par, any later holder can be assessed for enough to bring the value up to par. Avoiding the purpose of such a law is<sup>9</sup> thus approvingly summarized by the court in one typical case.

“The company was organized by defendant Boyd, his father and another, under the laws of Arizona, with an authorized capital of 500,000 shares of the par value of one dollar each. At the first meeting of the incorporators a board of directors was chosen, and on the same day Boyd proposed to sell to the company certain mining claims in New Mexico in consideration of the entire capital stock; he to donate to the company 200,000 shares thereof for its treasury. The proposition was accepted and carried out, and the records of the company showed the transaction. The idea was to make all of the stock



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fully paid and to use the shares in the treasury to raise funds for development."

The "radicals" find fault with the present day legal system because the government seems to shirk its responsibilities. The "radicals" argue that lawyers, "officers of the court," should not be hired any more than the other court officers should be bought or sold. They demand that the state adequately secure to each person wronged an efficient officer to protect his rights. The need for this they deduce from proved value of the public defender of Los Angeles, California, and from the experience of the California Commissioner of Labor.<sup>10</sup> The latter handled 7,330 claims for non-payment of wages during the year ending June, 1914, of which 4,904 were successfully settled, recovering \$110,912 of unpaid wages. As if to add fuel to the fire of the "radicals," the payment-of-wages-law was held unconstitutional later that year, on the ground that the imprisonment provided for those who failed to obey was in effect imprisonment for debt. The "radicals" frequently contrast with this "protection of the capitalist" who fails to pay overdue wages, the drastic treatment of the workers. "Comrade D. D. Dobreff at Duquesne, Pa., after several days' confinement was notified he would be released on \$10,000 bail."<sup>11</sup> He had been arrested, according to the newspaper account, in a poolroom while collecting dues and urging the workers to join "the union," and was neither hold-

ing a meeting nor inciting to violence. Under the rules of law, the clerk of the court received a fee equal to one per cent of the bail, thus in effect fining the "comrade" \$100 before trial. The "radicals" see in incidents of this sort a "sabotage" more immoral than that which they are often accused of,—the injuring of tools or property,—because all is done under legal forms, and relatively injures them more than anything they do to his "tools" can injure a "capitalist."

Judge Bourquin, in one decision, says:<sup>12</sup> "The defendant sent word that he was unable to procure counsel. There is a disposition if not to deny those accused of violation of war legislation any counsel, at least to restrict them to the lesser members of the bar and in addition to virtually deny bail." This statement, the "radicals" know to be true. Congressman-elect Berger, and his numerous co-defendants, were denied bail, pending the hearing of their appeal.<sup>13</sup> So were the Russellites in Brooklyn, New York. The conviction of the latter was reversed on appeal. The lack of confidence in the desire of the courts to do justice, induced by incidents of this character, led the forty-nine defendants tried in California in 1918 for conspiracy to refuse to make any defense.

The middle class people secure in their prosperity rarely find themselves falling within the clutches of the law, or thwarted by its technicalities as do

these "radicals" and industrial workers. The latter hear a district attorney urge a jury to be as "patriotic" as the mob which broke into socialist offices in another city.<sup>14</sup> They think such a request is a perversion of law, but know they gain nothing by an appeal, for the law is well established that "a verdict on conflicting evidence will not be disturbed because the appellate court would have found otherwise, or may be of the opinion that it is against the preponderance of the evidence." So far has this revolt against present day law gone, that one labor magazine published a cartoon showing a "service flag" in imitation of the usual one with stars,—the cartoon showing forty-nine prison windows, with a face behind the bars of each, representing the forty-nine defendants referred to above.

The "radicals" believe that Professor Calkins is right in saying:<sup>15</sup> "The criminal is not merely an individual delinquent; he is a social product. And society is chargeable with some portion of his guilt. If he is sent to prison, then we should all be sent to prison with him, but since this is impracticable the least we can do is to try to restore him. He is properly the object not of retribution, but of redemption."

With men like Ross, referred to above, in their minds the "radicals" say, "Stamp a man like Debs, or a woman like Kate O'Hare as felons, and you dignify the term felony, instead of degrading them,

and every thief and robber will be justified in feeling that some of the stigma has been taken from his crime and punishment." The "radicals" are saying, "Contempt for jail is the beginning of liberty."

In the eyes of many "radicals" Debs represents progress coming into conflict with law. In truth there is necessarily an inherent conflict between law and progress, for according to law any act is either definitely right or definitely wrong. In nature, in life, the degrees of rightness shade off imperceptibly into wrong. Law is slow to see new meanings. To realize thoroughly the new meanings that attach to old forms of words is to have grasped the fundamental change in thinking about human life which is the very soul of the age in which we live, an age in which so many new things are still known by old words and consequently hardly known at all. For it is not only the political map of the world that we must study anew. Ethical frontiers are also subtly shifting before our eyes.

It is very doubtful whether there is philosophically any other basis of Rights than that of Function,—that it is only as we serve the community, only as we do something of value, that we acquire any right at all, even the right to live.

Among the "radicals" and industrial workers there is a wide-spread feeling that lawyers have no constructive function in civilization; that law is a game, played by attorneys, of living up to the surface con-

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ventionalities of civilization while securing selfish, or designing people in their property. In the Carnegie Foundation report, "Justice and the Poor," by Reginald H. Smith, it is shown that it is nearly impossible for the poor to secure through law their due and that thus justice is practically denied to about a third of the population. It often is equally difficult for the well-to-do to secure justice. Fair examples are usually too complex to quote at length. In one case the court said: <sup>16</sup> "So there was nothing that Wrigley did not take from others' except his own name, and the spear, as the design on which to spread the word 'Spearmint'." Wrigley, of course, knew these facts, and also the inside story of his suit against Pulver. According to the final decree in that case, Wrigley, not Pulver, was the originator of the 'Spearmint' package. But the decree was not entered until Wrigley owned both sides of the lawsuits. He gave Pulver \$100,000 in cash and \$150,000 in notes running one to five years. If Pulver should fail to keep still, there might be trouble in collecting the notes remaining unpaid. It was Larson's persistent digging that unearthed this hidden story. Wrigley's oppression of his opponent and his attempt to deceive the court were ample grounds . . . Larson is not liable for using his own initials and the oblique banner."

Equally unfortunate conditions exist in administrative law. A girl came to a factory with a tale of

woe, and out of sympathy the superintendent hired her, and kept her in spite of inefficiency, until he felt she was worse than useless when he discharged her. Soon after this the general manager of the corporation owning the factory, which employed several hundred hands, was summoned to court by a factory inspector who had investigated as the result of an anonymous letter, and found the girl was under sixteen, the legal age, instead of being eighteen as she looked, and had represented to the superintendent. Probably the girl herself wrote the letter or had it written by some friend out of spite. Under the law the judge had no option but to sentence the general manager, though he suspended the sentence. The general manager had appeared without a lawyer, believing an honest man could get a fair hearing. His lawyer afterwards told him that to get a fair hearing under present day law he should have sent the company's lawyer and avoided personal interest in the case, for a corporation could not be sentenced to imprisonment.

The refusal of lawyers to defend those accused of violating war-time legislation is contrasted by the "radicals" with the readiness of lawyers to defend any criminal in ordinary times, no matter how obvious the guilt or how loathsome the crime. This makes them all the more ready to believe that the law is carefully constructed to furnish employment to lawyers. They are reinforced in that belief by

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the explanations their lawyers give them of the need for compromising a just claim. "If the case goes to a referee to settle the account, I will have to get together with the other fellow's lawyer and agree what to pay the referee. You see the referee gets \$10 a session—by rights a day,—but if we can't agree on his total fee in advance, he will call us together two or three times a week or month, allow one or two questions to be asked the witness, and then adjourn the session. He gets his \$10 each time, and you will have to pay for my time and trouble too."

Those of us who have lived in great cities have become accustomed to the efficiency of the traffic policemen. We admire the determination with which one of these policemen signs to a driver who has violated a signal to stop, compelling him to turn around and take his place at the rear end of a waiting line. Experience shows that the publicity of this humiliation makes it a more effective punishment and a more effective method of control than is a summons to the police court, and the infliction a day or two later of a fine of ten or twenty-five dollars.

Publicity of this sort as a deterrent to evil-doers is almost impossible to obtain in the management of government or in the management of any group or organization, yet it is the desire for some such effective method that lies behind the almost universal American demand for "publicity" in manage-

ment, and in ownership. To those to whom group life is common, the undefined yet persuasive feeling is ever present that "secret diplomacy" of some sort is controlling the responses of the minor leaders to the appeals of the great leaders. The readiness with which the rural population of Russia, Finland, Austria, Hungary, and the German states, follow the leadership of city groups toward a Soviet form of government, seems an indication that unknown to each other, and perhaps to themselves, the restless intellects of the rural districts have sensed the unseen manipulation by men behind the scenes, and are joining the revolt against it, as soon as the revolt is formulated, and is furnished with leaders by the more closely knit city groups. The rapid spread of the Farmers' Non-partisan League in our own northwest tends to confirm the diagnosis that formulation of the underlying truths of their common cause and leadership is all that our own rural dwellers need, to lead them to make common cause with city industrial workers in their unrest.

Both see the spectacle in Washington of a purely political body assembling to legislate for a country whose ills are almost purely economic and industrial. A body largely made up of lawyers and politicians is called upon to debate and solve the deepest economic problems in the history of the land. They regard Congress quite definitely as a class congress, and in the present situation dealing largely



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with the class it does not represent. They believe a radical reformation is needed in the method of law-making. Many believe that the system of representation by geographical districts is usually no longer either true or adequate representation so far as cities are concerned. Where a Congressman represents an agricultural one, there is usually a distinct group life for each of the various interests of people living within his district. Those interests are embodied in newspapers, churches, granges, community stores, and other forms of business and professional life. Such a district or some interest in it can really be represented by a Congressman, and indirectly such a Congressman will represent that kind of interest in the whole nation. He is likely to come into personal contact with people who represent a real need. The effect is shown in the character of the "country" Congressmen. They are the ablest of the lot.

In the larger cities the situation is very different. Usually no Congressmen from a large city represents a district having any interest or newspaper peculiarly its own. He does not have in his district a large body of constituents whose home and business and political interests all fall within his district; so there is no true group life he can interpret, or to which he can effectively appeal. He necessarily is peculiarly susceptible to the influence of professional

politicians. The group life he should represent belongs to the city as a whole.

It is difficult to see how there is any hope for better city Congressmen, unless perhaps some system of proportional representation will make it worth while for active business men to become candidates, knowing that although they will not head the poll, they will have a fair chance of being one of the candidates elected. Each representative, then, would represent a large interest in the city group, and might be sustained by an ample backing of followers and newspapers.

Industrial and business organizations reflect the political organization of the nation, in completely separating the executive and legislative functions, putting them into the hands of groups in no way responsible to each other. This has largely contributed to the impracticable legislation in the government. A legislature passes laws, or a school board enacts rules which sound well but which cannot be carried out, or if carried out result in the breakdown of the administration. For example, New York State for many years had statutes on its books forbidding theatrical plays and the running of moving picture theaters on Sunday. The legislators undoubtedly believed in the laws, but their enforcement in some places always lay in the hands of unsympathetic local administrations. Some department stores provide seats behind the counters for

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their salesgirls, but the floorwalkers forbid the girls to sit down.

Every one knows similar laws, national and state, which are not enforced, simply because they are so worded as to meet a supposed, rather than a practical problem. Out of this general situation has grown the proverb, that Americans are wholly lacking in a proper respect for law. Mothers often take pleasure in watching their children play and trample over the carefully cultivated grass of small city parks. The joy of the children and the adventure of law-breaking give them a double pleasure.

Democracy should include responsibility, and apparently true democracy in America can only be obtained by imposing on legislative leaders considerable responsibility for the feasibility of the laws which are passed in the enthusiasm of legislative idealism. Fundamentally the cry for "democracy in education"—the cry of the teachers for "representation on boards of education"—appears to be a complaint against the lack of coördination in governmental functions, just as much as is the demand for a responsible budgetary system in the state and federal governments of the nation. Fundamentally the desire and need is a better coördination of ideals with governmental legislation and administration.

If the referendum is substituted for the representative principle in government or industry, each law or agreement has to either be accepted or rejected as

first drafted. Even with our imperfect representative government almost every law is the product of conferences. Small committees discuss proposed laws and then reconstruct them in further conferences perhaps with other small committees. Each committee can and should provide a way for the representation of all parties. Small conferences, small committees, are valuable not only for the settlement of disputes, but also for their prevention, and for the fruitful coördination of all human activities. Perhaps it is because the laws are practically drafted in conferences of Ministers of State, that the laws of England and other countries with responsible governments are often so much clearer and shorter, and are easier to enforce reasonably than are the laws in the United States. The conference of ministers has a group responsibility for the laws. Such responsibility is unknown in the American system of government, partly because every legislature is too unwieldly to afford facilities for a true conference spirit.

The so-called "Root" constitution,<sup>17</sup> which was drafted for the State of New York in 1915, and which failed of adoption, seems a long step in the right direction. It carefully located responsibility for the drafting of certain groups of laws, laying the duty on executive and administrative officials. The prescribed methods of amending such proposed laws placed responsibility in definite places. Such a

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system of law-making would eliminate much of the temptation to utilize the short-sighted political strategy which is now characteristic of much of our State and National legislation.

Lawmakers should learn to carefully study the indirect constructive results to be obtained by carefully drafted laws. For example, a law authorizing the recovery by even distant relatives of punitive and exemplary damages from a county or city for failure to prevent a lynching might be more effective than a direct law against lynching. It would bring home to the taxpayers their responsibility. It is possible a federal law might be so drafted as to make it the duty of the Federal Attorney General to direct the prosecution of cases for the recovery of such damages. By providing that the Attorney General should recover the damages in the name of the United States for the benefit of such relatives as might be found, and that neither the identity of the victim nor the fact of relationship need be proved when suing the city or county, collection of the damages might be made certain. Special rules of evidence and appeal might have to be included in the law. Perhaps it is the right to recover damages from mob violence which has kept down mob rule in England. The recovery of such damages tends to form an object lesson in equality, and this is a strong democratic force. Equality before the law compels men to make common cause with all

others affected as they are; whereas without this men tend to want special favors and to let others shift for themselves.

Law seems morally bankrupt to countless people, especially those who are really thinkers among that third of the population who are too poor to utilize legal procedure. To such people, if they have read the socialist books of prophecy, E. H. Gary, president of the United States Steel Corporation, and W. E. Haywood, president of the I. W. W., seem cut to fit the specifications of capitalist and proletarian. Such people therefore welcome Socialism as a new hope amid the ruins of their world of ideas and ideals.

Any program for reëstablishing the credit of law in the eyes of such people would be too complex to set forth within the limits of a single book, much less a single chapter. I suggest that law should be so constructed as to appeal to pride and altruism rather than to terrorism as its motive power. I have made one suggestion above in connection with lynching. In the concluding chapter I suggest how an official, whose duties are largely administrative, can help forestall serious labor disputes through records which will necessarily reflect pride or shame on those with whom he deals. Perhaps these suggestions, coupled with the petty courts and other experiments described in Smith's *Justice and the Poor*, will furnish sufficient food for thought.

## CHAPTER X

### SOME GULFS, COMPLEXITIES AND LOYALTIES

IN a farming country there is usually no community water supply. The need for this, and for a sewerage system, only arises when the gathering of men in larger groups increases the danger of contagion. Electric wires can safely go above ground because there is small danger of accident to the few who pass along a country road. The ground under the road is not needed for subways, for gas pipes, or pneumatic tubes. There is no need for a traffic policeman. In such places those who meet are for the most part personal acquaintances, and usually every inhabitant greets the casual stranger as if an acquaintance. This begets mutual confidence and neighborliness.

Once I found myself without my pocketbook on a street car in a small town that I visited on business. I had some change, but the conductor, noticing my startled look, said, 'Left your pocketbook? How much do you need? Will five dollars see you through?' I had never seen that conductor except

as a short-ride passenger on his car about once in six weeks during the previous two years.

Very different is life in a large city. Before I was wholly dressed one morning looking down from my fourth floor apartment, I saw the iceman in the basement areaway, already on his daily round of delivering blocks of ice by the dumbwaiters. His bandaged hand instinctively brought a thought of sympathy to my mind, but the height of my apartment above the ground fixed a gulf between us too great to be crossed by a kindly inquiry. To walk down such a distance without further dressing would have been so conspicuous as to spoil any appearance of neighborliness. Modern housing methods in fact have destroyed neighborliness. Conditions that are keeping me away from personal acquaintance with the iceman are creating a psychological gulf between us, just as the separation of the office force from the factory has created a psychological gulf between the manager and the employees. The lack of personal contact of the office force with the workers and their work revolutionizes conditions just as completely as does the development of a country road into a city thoroughfare.

When the American Steel and Wire Company bought the various wire factories in Worcester, Mass., and put them under a single, centralized management, errors, often trivial in themselves, created such endless trouble that the Company is



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said to have established an "error department"; which soon grew to six clerks, busy all the time in untangling the resulting troubles. The large organization needed psychological traffic policemen just as does any large congested city.

It was to such organizations that the *Wall Street Journal* referred on May 20, 1912: "Until recently railroad transportation was the expanding business of the United States, absorbing the major portion of the accumulating investment funds of the country. Now capital is turning steadily to industrial enterprises."

New troubles and expenses, besides the error department, come with every enlarging of an organization, and every increase of its complexity. It is noteworthy that the moderately large railroads running a moderate number of trains have the smallest ratio of expenses to receipts. In the ten years preceding the Great War, with increasing congestion of traffic, the Pennsylvania and the New York Central Railroads were spending proportionately more and more on expenses,—85 to 95 per cent of their gross receipts, while on the Western roads, with lighter traffic, expenses were from 55 to 70 per cent.<sup>1</sup> We know this was not due to a different basis for rates for travel, since the contrast became even more marked with the adoption of a uniform system of passenger rates under the United States Railroad Administration.

"It has been said that from the properties of a drop of water the possibility of a Niagara or an Atlantic might be inferred by a man who had seen or heard of neither. And it is true that by experiment upon a small quantity of water, a man with the brain of a Newton and the mathematical power and knowledge of Lord Rayleigh, could deduce by pure reasoning most if not all of the inorganic phenomena of an ocean; and that not vaguely, but definitely; the existence of waves on its surface, the rate at which they would travel as dependent upon distance from crest to crest, their maximum height, their length as depending depth of sea, the existence of ripples also, going at a different pace and following a different law. . . . No one not a mathematician looking at a drop of water could infer the Atlantic billows or the tides, but they are all there in embryo, given gravitation; and yet not there in actuality in even the smallest degree. People sometimes think that increase of size is mere magnification, and introduces no new property. They are mistaken. Waves *could* not be on a drop, or tides either, nor waterspouts, nor storms. The simple fact that the earth is *large* makes it retain an atmosphere; and the existence of an atmosphere enhances the importance of a globe beyond all comparison, and fits it for plant and animal life. The simple fact that the sun is *very* large makes it hot, i.e., enables it to generate heat, and so fits it to be

the center and source of energy to worlds of habitable activity.”<sup>2</sup>

One corresponding influence in business community life was noted twenty years ago by an Englishman who said, “The difference between business in England and in America is the difference between a race in a crowd and a race in the open. If an English business man stumbles, the crowd knocks him down and tramples on him, they can’t help it, there isn’t room for anything else. He never has a chance to get on his feet. In America a man who falls has a chance to rise and get a fresh start.”

If the plodding ones, who never stumble, were the ones who were invariably rewarded, the world would probably be a very different place. Both Henry Ford of the Ford Motor Company and F. W. Woolworth of 5 and 10 cent store fame, failed at least once in business — went into bankruptcy — before they were successful. They were not content to merely plod, after they had failed, and eventually the organizations which bear their names became great factors in American business and social life. They rather took for their motto the English one, “It’s dogged that does it,” dogged in spite of failure. But America is becoming crowded; conditions are approaching those in England. Not only in government office work, but also in the offices of great corporations, success tends to come to those who never make mistakes, who never are enterprising enough

to interfere with the wheels running in the well oiled grooves of the office system.<sup>3</sup>

The growth of large factories and large industrial groups also has made possible the psychological tides and storms which result in strikes. When an industry grows too large for neighborliness between the manager and each individual worker, the labor problem becomes one of administratively insuring oversight which shall include a sympathetic human interest in the workers, and shall keep the human elements in the daily round of workers' duties a constant reality in the mind of the business manager. This need would exist in a socialist state or syndicalist society as much as under "capitalistic rule." Underlying every form of communism and socialism is the assumption that the proposed form of government will automatically bring such interest to life, and maintain it constantly, effectively; continually renewing it.<sup>4</sup>

In the advertising field the wide use of psychological factors for arousing interest is well illustrated in *The Moving Picture World* of April 19, 1919: " 'Bolshevism on Trial' will appeal to all classes. . . . Socialists may not endorse its findings but they will be interested in the argument. . . . The chief point is that all can be appealed to. The showing of this play should be prepared for well in advance. . . . The newspaper work should begin well in advance of the showing, if possible through a controversy

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upon Socialism. Let the management write a couple of letters attacking the socialist theory and linking it up with Bolshevism. . . . All of this should be worked under a pseudonym. Then come out under your own signature and apparently get into the controversy for the first time, telling of *Comrades*, by the Rev. Thomas Dixon, and adding that you will shortly show a play drawn from the book. You can run for a couple of weeks in the local daily, without ever suggesting that the discussion has any advertising interest. . . . Perhaps the minister will preach on the topic the Sunday before your opening, in which case take the advertising for the church directly into your house advertising. Have a lobby frame announcing that the Rev. John Blank will preach on this powerful play at the First Christian Church. Perhaps you can go further and get some local patriotic society to hold an anti-Bolshevik meeting. It can be done. If your house is closed on Sunday, lend your house for the meeting. There is not a factory owner who is not at least secretly afraid of the growth of Bolshevism, and he has cause for fear. Go with him to the private viewing or even with a good talk on the film and he will buy blocks of seats for his employees and their families. . . . Work all of the crowd stunts. Put up red flags about town and hire soldiers to tear them down if necessary and then come out with a flaming handbill, explaining the play is not an argument for

anarchy. Have the bills ready printed that you may get them out quickly or the idea may boomerang."

Business has increasingly been turned into the hands of incorporated companies. A corporation is formed for one single purpose—profits. A man may wish to make money, but he is likely also to be a neighbor, a friend, a citizen; and all these relations tend to make him kind, reliable, and public-spirited. The corporation may be reliable, may pay its debts; but no one expects a corporation to be very considerate of people beyond what is required by law, and no one expects the corporation to be public-spirited in the same sense in which we may expect this of a citizen.<sup>5</sup> Suggestions like those of *The Moving Picture World* are peculiarly dangerous in the hands of corporation managers.

It is the supreme mistake of the typical corporation manager to have worked with a psychology that is too narrow for the impulses called into play by industry. He specialized upon the side of profit; and tended to regard as evil all that might result in a diminution of profit. As a consequence his attention has been mainly concentrated in his relations with labor, upon wages on the one hand, and hours upon the other. He has failed to see that there is in the worker an eagerness for a share in the interests of industry which he has no means at his disposal to satisfy. The only institution that has specialized upon this side is the labor union; and at a

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time when the main industrial problem has been conceived as "democratization" of the industrial process, the negligence of the employer leaves the labor union the field. The labor union often formulates a proposed solution in terms of wages and hours of labor, and of "democratic" representation, when the real hunger of the workers is a soul hunger for emotional interest,—for a cause to which they can be loyal.

The factory managers have never learned the lesson that the New York City Sunday school superintendents learned long ago—responsibility sobers any one. If a boy makes mischief, is an agitator, give him a responsible position, make him door-keeper. Here he is both conspicuous and responsible, he has a duty to be loyal to, and is satisfied. When I asked a New York City public school teacher how she managed to keep order with upwards of fifty children in the room, and not enough desks to go around, the reply was, "We teachers don't keep order. The pupils do it. The first day of school the pupils are largely strangers to each other, and they look to the teacher for everything. We train them to expect good order, and so good order comes." The pupils become loyal to good order.

The son of an elderly shoe manufacturer tells me that forty years ago employees were so loyal to the reputation of their own shoe factory that street fights between groups from rival factories were not

uncommon, each group of men jealous for their own factory. It seems as if some psychological or emotional motive based on the experience of school teachers might be profitably utilized to-day in every large factory. It may be necessary to associate with the factory group a dance hall for their girls, with orchestras and bands drawn from the workers, to organize ball and bowling teams among the men; coöperative stores managed by the employees for their own benefit; libraries, religious work, school classes, receptions, theatricals, excursions; to provide funds for wedding presents paid for, share and share alike, with employees, as well as commemorative presents or mementoes, like silver tea sets for those employed twenty-five years. All such would undoubtedly be common in any successful socialistic state. Under "capitalistic rule" they would give both managers and employees as much enjoyment as they now get out of theater and other paid for entertainments.<sup>6</sup>

A former Member of Parliament, and one of the Labor Group, after observing American life for many months, said that what the factory workers wanted was a spiritual outlook, such as an active Foreign Missionary Society gives to middle class church members. By having enough kinds of interests and association every restless mind among the workers can find some pleasing avocation, and the cliquishness which might otherwise arise cannot



become a menace to the social solidarity of the factory.

One employer of several hundred workers in New York City said to me late in 1919, "You believe that factory hands are honest, hard working, well meaning men. They aren't. I'm a practical man, and I know what they are; they are a damned lot of low down, foul mouthed, stinking, lazy loafers." A little later in the conversation he said, "We haven't had a strike for four months, and that's going some in our business." After a few questions it appeared that the strikes had ceased very soon after his superintendent had begun to organize picnics and other social interests among the workers, and had started a coöperative store run by the workers, buying the goods on credit furnished by the employer.

I cannot help feeling that this employer's characterization of his workers seemed true to him because they reflected in their emotional work-a-day life the general attitude of capital toward them; that strikes had ceased as soon as humanizing emotion had been planted, because it found a fertile field in his social-economic group of workers. Humanizing emotion when it began to grow had at once become a factor for efficiency.

There seems to be no reason why events and organizations of the kind just described, if carried out in a spirit of comradeship, should not create a solidarity of the employees with the management, a

spirit of loyalty just as effectively as a spirit of hostility is often created now. Such hostility must have created an unconscious group solidarity in unrest in the factory of the "Duponts" at Lodi, New Jersey. One man there is reported to have thrown down his tools in disgust, saying, "I've had enough of this sort of treatment; come along." Although there was no workers' union or organization whatever, and "agitators" had never come around that factory, it is said that all but a few of the several hundred employees followed that man out of the gate, passing the word from department to department, and thus began a strike. Few workers had been there for many weeks. The management must have been far from attempting to follow in the footsteps of the New York City school teacher, or from developing a loyalty like that of the old time shoe factory employees.

My friend, the machinery manufacturer referred to in Chapter III as so successful in winning the loyalty of his employees, says that in most businesses the workers are divided into groups, of which the following might be typical in 1919:—boys earning \$12 a week; laborers earning \$15 a week; machinists helpers earning \$20 a week; machinists earning \$30 a week; tool makers earning \$45 a week, and so on. Each of these forms a step above the next, so the pay roll may be likened to a flight of steps, Figure 6. He says this is all wrong, that no two men

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are worth exactly the same, so he seeks to pay each of his workers what he is really worth. To try to make sure that he grades men correctly, he makes his pay roll conform to a smooth curve something like the side of a broad flat valley rising toward a mountain, as shown in Figure 7. Of course the

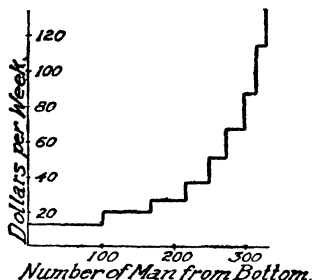


Figure 6

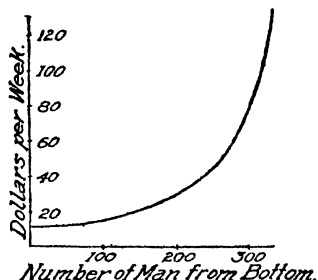


Figure 7

difference between the highest paid man and the next highest is greater than the difference between the two lowest paid men. He finds the proper ratio hard to adjust, but if the pay roll does not fit a smooth curve he knows he is failing to grade men properly. The pay roll curve, it should be said, includes the managers of the company.

I have been told that in some large universities the instructors are required to make the grades of the students fit a certain curve, which probably is like some of the curves shown in Chapter V. The need for some control of this sort in teaching is urgent, although seldom thought of. In testing the

grades given children who studied in small classes under a very conscientious and efficient teacher in a school where yearly averages were not made up, I computed the yearly averages and found that the grades of one quarter of the children worked out to between 73.4 per cent and 73.5 per cent, and a good many of the other averages were within one per cent of 77 per cent or one per cent of 81 per cent. This showed that the teacher had adopted an unconscious standard in grading the children. I feel convinced that similar unconscious standardization in business is widespread, and lies at the bottom of much reasoning about business management. If it were possible to locate these unconscious standards and analyze the causes which built them up, long steps could be taken toward eliminating the causes of social unrest. Pay roll curves are at least suggestive of what might be done in other directions, in addition to the curves now frequently used for statistics of production.

The Commission for Relief in Belgium has had no standing before the law. It has been neither a corporation nor a partnership. It could neither sue nor be sued. Its sole ability to do business, the largest mercantile business in the world, lay in the honesty of its aims, the efficiency of its workers, the singleness of its purpose, the assurance of its usefulness, and the unselfishness and the tact of its administration.

Side by side with the constructive example of the workers under the Commission for Relief in Belgium, the great strike movements have arisen with unexampled vigor, not only in industrial groups but also among policemen and firemen, and even among soldiers and sailors—mutiny. Strike troubles among the London police seemed more like the troubled dream of some wild imagination than a fact of real life. That strike has now been followed by the strikes in Montreal, Cincinnati, Pittsburgh, Liverpool and Boston, and elsewhere, of firemen or police, and we hear these and other strikes, everywhere denounced as the work of the “Reds,” of the “Bolsheviks.”

Did not our hearts burn within us when first we heard of the Russian Revolution? And we only cooled about it when we began to discover that it was taking a shape strange and unknown to us. It is as useless to curse the European Revolution, the attempted revolutions in industry, the strikes, as it is to speak disrespectfully of the Equator. It is true the War is over, but there is a greater thing than the War at our doors. The world stands at the doors of our souls, a world turned upside down, not only in governments, but also in ideals and attitudes of mind. The world is sick of politics, of efficiency, of reform; for reform is impersonal; efficiency is interested in objects rather than values; and politics is selfish and grasping. Reformers give

uncomfortable governments, and so in 1917 New York returned to Tammany, for Tammany is the personal element in politics carried to the highest degree.

A French writer has said of America, "The country has but one ambition, to develop its internal prosperity by the help of good international relations. The government on the other hand has departed from this policy, it has marched away from the star instead of toward it, and has gone contrary to the aspirations of the country. The various stages on this march have been excessive protection, war with Spain, colonies, and armaments. The government chose the wrong kind of ambition. It was afraid of not being as great as the greatest government. It has fallen a victim to imperialism."

What D'Etournelles<sup>7</sup> said here, is just as true of the rest of the world as it is true of America. Those who live by wage or salary, whose routine of life is regulated by rules, have revolted spiritually and mentally against government, industrial and political. The real power of government now—that is the ability to mass interests for whatever purposes—is not as anciently in the hands of personalities of royal and noble blood and prestige, nor in the hands of a church—but in the hands of the productive system centering in the bank, and the news system centering in the newspaper. We are urged to fight the revolutionary ideas at our doors with machine

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guns and tanks, to keep them off with blockades. In such a contest, conducted by such means, there is in the soldiers' word "no decision." Each idea lives, and still works. Beneath the newspaper headlines, the simplest industrial worker can read the facts clearly. He believes that we are not making democracy secure. He believes that by force we are thwarting the will, the self-determination of many political groups, and he revolts against economic domination, feeling that this too is headed in the same direction.

## CHAPTER XI

### A SUMMARY AND SOME SUGGESTIONS

THE "frequency curves" illustrated and discussed in Chapter V prove to any one familiar with biological mathematics that there is to be found in any state or community a great body of middle class people, middle class in intellect. Many of those are very likely middle class in property. Out of this middle class must come almost all real progress. This is the law of biological heredity and progress, and no state can abolish it. Ignoring the middle class thus mathematically defined, depriving it of its biological and sociological functions, ruined ancient Rome in her golden age, and will ruin any modern state "capitalistic" or socialistic that follows her example.

One of the most menacing outgrowths of the industrial revolution has been the breaking of those ties which formerly brought the middle class and the industrial workers into intimate contact. The resulting cleavage between the life of the middle class and the life of the industrial workers has destroyed almost all the personal constructive inter-



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est which the middle class once had in industrial life. This has been brought about by the rise of a class of professional managers of capital. The middle class, and the public as a whole, depend on these managers, not only for judgment in the management of industrial capital, but also for business judgment in making purchases. It is the managers who principally select or determine for the consumers the quality of what they shall buy—cloth, steel, food, especially canned food, and even trivial articles like pins.

Law is effective in a democracy only so far as it is an interpretation of the ideas, ideals and attitudes of mind which form the popular environment. Present-day American law is a reflection of a bygone environment in which the presence of the frontier was an all important factor, because it was always holding out hope and adventurous opportunities to restless souls. So present-day law, in a society that has lost the salutary influence of the frontier, tends to widen the cleavages of society and create a fixed gulf around its middle class. So far from seeming to promise justice to the workers, law is so tied to expensive individualistic forms of procedure that it seems to deny legal protection against everyday injustice.

Successful business managers in directing their business groups often find a joy which may well be called a moral equivalent for war. In the struggle

of these managers for success, the social, mental, and spiritual or emotional welfare of the workers is often so far lost sight of that many of the workers feel a useless system of law compels them to seek revolutionary lines of thought. A strike, the simplest attempt at revolution, becomes to many workers the only apparent outlet for the instinct for group adventure, the only available expression of suppressed emotion.

The great mass of the industrial workers question so deeply the ethical motives of the business managers that mere reform of business administration is distrusted as a panacea for industrial unrest. A similar distrust colors the popular view of political life. The political situations the world over suggest that the effective leaders are men who can formulate and voice the idealism of the people at the moment, who see clearly the drift of conflicting forces and the powers of the minor leaders at the moment, and who are willing to quiet the conflict for the moment by the most effective means at hand, hoping to come to terms at some more convenient season with the ideals they have formulated. The programs of such leaders can have little permanent value for solving our problem.

Methods and programs for more or less directly relieving labor tension and unrest in individual factories and similar labor groups have been incidentally suggested in preceding chapters, especially

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Chapters III and X. Direct methods, individual programs, must vary so greatly with varying conditions as to make it impossible to discuss any representative number of them even briefly in a book of reasonable size. They may be summed up as those which develop, preserve and make evident the sympathetic human interests of employer and employee.<sup>1</sup>

Some indirect methods for the reconstruction of community interests are suggested in this concluding chapter, since indirect methods which tend to develop right emotions are likely to prove most valuable for the community or state. Moreover, in a discussion as short as this, we must be content with suggestions. Any comprehensive plan for curing present troubles, which is more than vague idealism, is likely to involve so many essential details that the all important outlines will be obscured. Better and more wide-spread education is a fundamental need. We must learn that education is far more than the training of the intellect and memory to grasp facts. It is also the training of the emotions to react to special ideals. We must reduce illiteracy until instead of 25 per cent, only a fraction of a per cent are illiterate, thus bringing home new ideals to vast numbers of the people. This involves the widespread improvement of living conditions, because the undernourished brains of millions of children would be unable to digest intellectual food if education were offered them.

Labor as a whole knows in its everyday life the strenuous life; knows what are the most urgent needs, and what are the main faults of business administration. My suggestion is that we bring home this knowledge to the middle class, who make up the potentially influential intellectual group and who own so much of the all essential capital.

To bring some such knowledge of life and business to the middle class, the middle class youth must learn by practical experience of the strenuous life, and not academically, the needs of the world. The administrators of industry must be compelled to display to the world their faulty systems of dealing with labor; and the foremen and overseers must learn better methods and better ideals.

*Suggestion I.* Coöperative stores may well be a first step for educating the middle class, especially in cities or other industrial communities. The need for careful planning of the details of coöperative business ventures is clearly brought out in any fair discussion of the systems in other countries. Adequate legislation, based on the wide European experience, would greatly facilitate the organization of coöperative enterprises, and might be so drawn as to practically suggest the best form of organization to be followed in the future. The increased interest in community and political life and consequent improved political conditions to be expected have been referred to in an earlier chapter.

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*Suggestion II.* To bring home to the future leaders, to the youth of the middle class, a knowledge of the "realities" of life, its hardships, its monotony, and the whole environment of the industrial and other workers, short term enlistments might be offered in group adventures for group ideals. Such enlistments might be offered to those graduating from schools, especially denominational schools and colleges, in the form of free support (with perhaps a little pocket money) for a year's, or two years', constructive social service work among the economically handicapped.

The work offered those who enlist would differ from the "field work" now provided by the "schools of philanthropy," in being primarily ethical and constructive. Without waiting for calls for financial aid, the workers would enter the homes of those with whom they could enter into fellowship, and deal with these in a spirit of sympathetic human interest. Unlike the modern "settlement" workers, these workers would seek solely to help; not to investigate except incidentally; not to obtain materials for a "survey." They would work in a spirit of humility, and with a sympathetic interest, rather than seeking, in a spirit of intellectual superiority, useful practice in impersonal scientific methods. "Love has great therapeutic value," not only in dealing with children, but also in dealing with fellow human beings who have fallen by the wayside,

either into pitfalls of sin or the ruts of economic handicap.

It must not be supposed that this proposal is visionary. Something very similar has been worked out separately during the Great War by the Smith College Reconstruction Unit, and the Quakers in reconstruction work in France. The work has been the reconstruction of livable lives, the reconstruction of home and village life, more than of houses. It has been found that the whole hearted altruistic motive underlying this short term enlistment gives its workers unprecedented efficiency and facility in doing the work.

Young men and young women of the middle class entering the professions or business life very often have ideals, high ideals in an indefinite sort of way, but they seldom have opportunity to interpret these ideals in practical life, and, ignorant of the reality of the needs of millions of their fellow-countrymen, soon come to interpret these ideals in the light of the only background they know, the background of their own business success. Personal success is the only goal they have been taught to value. If opportunities for short term enlistments in such reconstruction work at home were held before the youth in colleges and schools as a high reward, the underlying ideals and the possibility of actually undertaking the work, would soon leaven the whole of school and college life with a prospect for eco-

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nomie and idealistic or spiritual adventure, and thus carry new and constructive motives into the homes of the middle class, to the parents of the pupils.

*Suggestion III.* In feudal England the Lord High Chancellor was called the keeper of the king's conscience. Since it was impossible for the king to give personal attention to the cases of all who believed themselves to be wronged, the Chancellor was charged with the duty of hearing all who alleged that they were unable to obtain justice, whether because of the wealth of an adversary, or because of his powerful influence, or because the law provided no adequate remedy. The Chancellor became the judge of equity. In these days when the workers allege that there is an industrial feudalism, a step toward industrial peace might be obtained through a law requiring that every large employer, or every factory having a pay-roll turn-over above a certain minimum, should be obliged to receive a state or city-appointed Chancellor of Labor, who should be the keeper of the conscience of the state or of the stock-holders of a corporation. He would be judge of the equities between employer and employee in every large factory, mine, store, shop or other business organization. His hearings though required to be recorded briefly might be informal. If he found the pay-roll turn-over noticeably large or in any way peculiar under any foreman, he should

be obliged to record the fact, together with his placing of the blame.

It might be compulsory on every corporation to include a complete summary of the Chancellor's work for them in an annual report required to be delivered to every stock-holder and employee, and to be advertised in the newspapers, in the case of a corporation controlled by a holding company. The Chancellor's power of punishment might be small, and limited to a small fine upon the employer for every worker attempted to be discharged without adequate cause. Any worker leaving any employer probably should be required to give some reason, to be recorded in the Chancellor's books. Although some reasons would undoubtedly be false, in the long run enough true reasons would be recorded to make the record convincing. The publicity of the facts, the separate entry of such fines in his summary, very likely would be sufficient to force business managers to pay more attention to labor conditions by bringing their failures clearly before their stock-holders and the public. Their pride would be at stake, especially when comparisons were made with other managers.

Dealing with employees might be a more difficult program to map out. Almost any system of fines or imprisonment for employees would offer too much temptation to martyrdom to be effective in crises. I believe if Labor Chancellors of this sort



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were well-nigh universal, and they were known to be obliged to give on request to any prospective or subsequent employer a copy of the records about any employee, unwillingness to leave an unfavorable record would be a powerful weapon against unreasonableness on the part of any of the workers. On the other hand a good record would be an obvious asset. Publicity of the records of all such Chancellors would certainly profoundly modify the reputations of many manufacturers and business men and apparently could not fail to open new opportunities for coöperation of the really conscientious employers and the ambitions and efficient workers.<sup>2</sup>

*Suggestion IV.* Provide that every foreman, and every overseer or superintendent, before being promoted and put permanently in a position of authority, shall receive a course of training at a school where he shall learn something of economics, economic history, psychology and related subjects. At such schools employer and employee so far as practicable should study together, thus learning something of each other's mental outlook.

Graduates of such schools, and graduates of other schools with the experience outlined above under Suggestion II, would naturally become leaders among men and women, probably very often managers and employers of large labor groups. They would realize the need of making a group of factory

workers view the factory work as constructive, and as coöperative for good. They would create social values as well as industrial values within factory groups, and make each group believe its purpose ethical as well as economic. They would not, even thoughtlessly, consign to the scrap-heap employees found inefficient or constitutionally defective, but would endeavor to establish relationships of all with the industries and the institutions of civilized society. They would endeavor to make the workers in imagination see a sign over the workers' entrance to each factory saying, "Machinery the servant of man asks your coöperation for progress." They would endeavor to make each worker looking at the office door imagine the sign read, "Group service exchange," and on entering feel as if stepping on a magic carpet, whose touch brought new inspiration for meeting every problem.



## NOTES

### CHAPTER I

<sup>1</sup>Book I, Chapter I. Many editions have been published. Care should be used to read only an unabridged edition.

<sup>2</sup>Book II, Chapter III. Book IV, Chapter II.

<sup>3</sup>See, for example, "John Fitch" in almost any history of the United States. For an even better example of the vicissitudes of inventors and inventions, see the article "Sewing Machines" in *Encyclopedia Britannica*, ninth or eleventh edition.

<sup>4</sup>255 Federal Reporter, 961.

<sup>5</sup>Journal Patent Office Society, vol. I, p. 213.

<sup>6</sup>United States Bureau Labor Statistics, Bull. No. 196, p. 15.

<sup>7</sup>New York, 1918.

<sup>8</sup>*System, the Magazine of Business*, Chicago, January and February, 1919, pp. 34 etc. and 222 etc.

<sup>9</sup>See United States Bureau Labor Statistics, Bull. No. 208.

<sup>10</sup>*Lancet* (London), March 10, 1917, p. 387. I draw my facts from another source which I have not been able to verify.

<sup>11</sup>*Keeping up with Rising Costs*, Sammonds, Chicago, 1915. Compare *Economics of Retailing*, Nystrom, New York, 1919.

<sup>12</sup>Even so conservative an employer as Rowntree, the English Quaker, says in his invaluable book, *Human Needs of Labor* (London, 1918), that a factory girl should be given every opportunity to enjoy herself at a respectable dance hall. He says, "A girl engaged on a monotonous repetition job in a factory for fifty hours a week, stands in absolute need of some recreation in the evenings."

<sup>13</sup>246 Federal Reporter 916.

<sup>14</sup>*U. S. v. Wheeler*, 254 Federal Reporter 611. Compare American Labor Year Book for 1917-18.

### CHAPTER II

<sup>1</sup>*Talking Knowledge of Rotary*, pamphlet published by International Assoc. Rotary Clubs, 910 Michigan Ave., Chicago, Ill. For business methods in general see *Modern Business* (12 vols. and supplements, etc.), Alexander Hamilton Institute, New York, 1911 to 1914.

<sup>2</sup>Moral Equivalent of War, James, in his *Memories and Studies*, New York, 1911; *McClure's Magazine*, Aug., 1910, and elsewhere.

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<sup>1</sup>*Permanent Element of Religion*, Carpenter, London, 1889.

<sup>2</sup>Lord Peckover, quoted *Friend* (London), Oct. 31, 1919, p. 670.

<sup>3</sup>One of my friends who met these New Englanders from a different business point of view regards them as narrow and intolerant.

<sup>4</sup>Much caution must be used in interpreting income tax returns, because averages are very misleading, yet they cannot be regarded as useless. The 1917 income tax payers having incomes of over \$2000, included 789,992 with their principal income from salaries and wages, averaging \$3680 (less than the civil engineers). These received about five-sixths of all reported salaries and wages. 710,357 had their principal income from "business," averaging \$4700. These received five-sixths of all reported "business" income. The remainder, 331,783, received an average income of about \$8700 from property (rents, dividends, interest, etc.). This was nearly two-thirds of all the reported property income. Reports of later years will throw more light on the meaning of these figures.

### CHAPTER III

<sup>1</sup>*New Republic*, March 15, 1919, quoting Older.

<sup>2</sup>*New York Times*, Sept. 6, 1913.

### CHAPTER IV

<sup>1</sup>*English Middle Class*, Gretton. Reviewed in *New Republic*, Feb. 1, 1919.

Fuller reports, American-Canadian Investigation, Actuarial Soc. Amer. vol. II, N. Y., 1919, show between 5 per cent and 6 per cent in United States insured, over double insured in Canada where group life is not so complex.

<sup>2</sup>*Atlantic Monthly*, Oct. 1916, p. 441.

### CHAPTER V

<sup>1</sup>*Grammar of Science*, 2nd Ed., London, 1900, pp. 428-432.

<sup>2</sup>Bateson in *Lancet* (London), Aug. 16, 1913, p. 453. On heredity in general, see Mendel, *Principles of Heredity*, Bateson, London, 1909, and later editions. It is brief.

<sup>3</sup>See almost any book on statistics for the curve. The variation in the United States is far greater than in England, see the statistics e.g. 1905 to 1909 in *World Almanac*.

<sup>4</sup>*Science of Power*, London, 1918.

<sup>5</sup>For a brief readable account of clan life see *Real Business of Living*, Tufts, New York, 1917. For a full account see *Principles of Sociology*, Giddings, New York, 1916. The latter practically ignores Mendel's law, so its discussions of heredity are to be received with great reserve.

<sup>6</sup>This is interestingly set forth in *Call of the Carpenter*, White, New York, 1911.

<sup>7</sup>Maudslay in England made the same invention about the same time. *Industrial Biography*, Smiles, Boston, 1864.

<sup>8</sup>There are several good economic histories. I largely follow *Economic History of United States*, Bogart, New York, 1911.

<sup>9</sup>The table below shows the reported manufacturing establishments in several lines of business at different censuses. Probably the earlier of these censuses are incomplete.

Year	Agricul. Implements	Iron and Steel	Cotton
1840	not given	1599	1240
1850	1333	468	1094
1860	2116	542	1091
1870	2076	808	956
1880	1943	792	1756
1890	910	719	905
1900	715	668	1055
1905	648	605	1154
1910	640	654	1324
1914	601	587	1328

<sup>10</sup>In this I follow Bogart, cited above. Local histories often give a different view, see *History of Smithfield, R. I.*, Steere, Providence, 1881. *History of Woonsocket, R. I.*, Richardson, Woonsocket, 1876.

<sup>11</sup>The data are from *Introduction to Theory Statistics*, Yule, London, 1913. The scale is selected to suit later figures.

<sup>12</sup>*Army Mental Tests* (Surgeon General), Washington, D. C., Nov. 22, 1919.

<sup>13</sup>*Measurement of Intelligence*, Terman, New York, 1916, gives a good description of these.

<sup>14</sup>See last page *Army Mental Tests*, cited above.

<sup>15</sup>The description of these grades is somewhat modified in view of oral comments of a psychologist connected with this work.

The percentages of the Surgeon General for the upper grades are undoubtedly too low. One man tells me that of the hundreds of others who took these tests at the time he did, many were "rattled," and that others supposed the tests were merely "to get data for somebody's Ph.D. degree." He estimated that about a quarter of those who should have been in grade A were put in lower grades. Another college man said the tests were so poorly explained when he took them, that he and many others were probably put in C-. He knew one college graduate, a "brilliant all round man," who was marked C-. Proper corrections would not noticeably alter figures 2 or 3.

<sup>16</sup>On "modes" see *Grammar of Science*, and *Introduction to Theory of Statistics*, cited above.

<sup>17</sup>*Statistics of Income*, Treasury Dept., Washington, D. C., Preliminary Report, July 31, 1919. About one return in seven (where returns were required from all) was from a man or woman

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not the head of a family. The latter, having incomes \$1000 to \$2000, numbered 1,640,738, thus indicating about eleven million eight hundred thousand families in the group having that income, I assume a population of about 110,000,000 or twenty-two million families. See also the end of Chapter II.

<sup>18</sup>I have not found any data that are satisfactory for this year, but have adopted a round figure computed from other years by percentage allowances.

<sup>19</sup>See report in *New York Times*, Oct. 8, 1917. Reports to the contrary are probably due to less careful inspection by country doctors, see *Physical Examination First Million Drafted Recruits*, Surgeon General, Bulletin No. 11, Washington, D. C., March, 1919, p. 18.

<sup>20</sup>Dawley, New York, 1913. For urban conditions the best reports are *Life and Labour of the People in London*, Booth, London, 1891 to 1903, and *Poverty*, Rowntree, London, 1908. The best example of American conditions is in the volumes of the *Pittsburg Survey*, published by the Russell Sage Foundation, New York.

<sup>21</sup>Maternity Care, etc., in Montana, United States Children's Bureau, publication No. 34.

<sup>22</sup>A psychologist tells me that probably few of these children are really defective. He believes they have not been co-ordinated with the conventions of everyday life.

<sup>23</sup>Taken from *Army Mental Tests*, cited above.

<sup>24</sup>The data are taken from Yule, cited above.

<sup>25</sup>That this is true of almost all biological variation, see *Grammar of Science*, cited above.

<sup>26</sup>*Army Mental Tests*, cited above.

<sup>27</sup>*Real Business of Living*, cited above.

<sup>28</sup>See *Grammar of Science* at p. 380, cited above.

## CHAPTER VI

<sup>1</sup>See *Science and Hypothesis*, Poincaré, London and New York, 1905.

<sup>2</sup>Discipline Methodist Episcopal Church, New York, 1916.

<sup>3</sup>*Nation*, June 28, 1919, p. 1003.

<sup>4</sup>It was reported in October, 1919, when the National Labor Conference broke up, that of 70 important strikes in the previous few months, 50 were "unauthorized by the federation." Compare the articles on the printing trade strike in New York in *New Republic*, Nov. 12, 1919, and *Nation*, Nov. 8 and Dec. 20, 1919.

<sup>5</sup>For a fuller account see *New Republic*, May 24, 1919, p. 116.

## CHAPTER VII

<sup>1</sup>Darwin, *Life and Letters*, New York, 1888, by F. Darwin, p. 30, is to the same effect.

## CHAPTER VIII

- <sup>1</sup> *Missionary Spirit and Present Crisis*, Hodgkin, London, 1916.
- <sup>2</sup> *New York Times*, editorial page, June 5, 1913.
- <sup>3</sup> *Underhill v. Belasco*, 254 Federal Reporter 838.
- <sup>4</sup> *Call of Carpenter*, White, New York, 1911.

## CHAPTER IX

- <sup>1</sup> *American Friend*, Richmond, Ind., Apr. 17, 1919.
- <sup>2</sup> *New York Tribune*, March 7, 1919.
- <sup>3</sup> *New York*, 1918.
- <sup>4</sup> *Compare Justice and the Poor*, Smith, New York, 1919, pp. 8, 28, 151, 233.
- <sup>5</sup> Speech of 1916, as reported in Docket (West Pub. Co., St. Paul, Minn.), for Oct., 1916 to Jan., 1917. Condensed.
- <sup>6</sup> *Central Stamping Co. v. McKeon*, 255 Federal Reporter, 8. It appears from the same case, 259 Federal Reporter 917, that the boy on the first trial was allowed \$11,000, damages; on the second trial \$5,000; and that this was set aside as too small, thus requiring a fifth trial.
- <sup>7</sup> For a readable, careful account of Socialism, etc., see *Proposed Roads to Freedom*, Russell, New York, 1918.
- <sup>8</sup> Compare, *Justice and the Poor*, p. 228, cited above.
- <sup>9</sup> *Monte Rico*, etc., v. Fleming, 258 Federal Reporter, 106.
- <sup>10</sup> *Justice and the Poor*, p. 98, cited above. Compare Final Report, Federal Industrial Relations Commission, Washington, D. C., 1916.
- <sup>11</sup> *Weekly People*, July 12, 1919.
- <sup>12</sup> *U. S. v. Metzborg*, 252 Federal Reporter, 933.
- <sup>13</sup> Berger and others were later released on bail.
- <sup>14</sup> Reported orally by a spectator of the trial of Alexander Berkman and Emma Goldman in New York, 1917.
- <sup>15</sup> *The Good Man and the Good*, New York, 1918.
- <sup>16</sup> *L. P. Larson, Jr., Co. v. Wm. Wrigley, Jr., Co.*, 253 Federal Reporter 914.
- <sup>17</sup> See *World Almanac* for 1916, p. 691.

## CHAPTER X

- <sup>1</sup> See the advertising literature of almost any large stock brokerage company, or *Poor's Manual of Railroads*, New York (annual).
- <sup>2</sup> *Man and Universe*, Lodge, London, 1908.
- <sup>3</sup> Compare *Real Business of Living*, cited above.
- <sup>4</sup> Compare *Proposed Roads to Freedom*, cited above.
- <sup>5</sup> Compare quotation of Lord Peckover at page 41, chapter II. The extent to which business has gone over into the hands of corporations is shown by the fact that in 1899 nearly 16% of the



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products of factories were produced in factories owned by individuals, while in 1914 less than 8% were produced by such. The number of such factories decreased from 171,832 in 1899 to less than 142,000, in 1914 (the basis being different). In this period the number of factories owned by corporations rose from 37,123 to 78,151.

<sup>6</sup>See Gilson. Following up after Hiring, in Bureau Labor Statistics Bull. 227, p. 137.

<sup>7</sup>*America and Her Problems*, New York, 1918.

### CHAPTER XI

<sup>1</sup>For a summary of many, see *Reconstruction, Programs*, Weeks, N. Y., 1919, Woman's Press.

<sup>2</sup>Since writing this, my attention has been called to *Industry and Humanity*, King, Boston, 1918. The "justiciars" proposed there should not be confounded with the chancellors I suggest, for the functions of the latter would be primarily that of recorders. The efficacy of an officer of the latter type is well illustrated in the extent to which the California Commissioners of Labor collected debts for employees even after shorn of power of punishing. See *Justice and the Poor*, cited in the chapter on law.

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